City of Glendale

5850 West Glendale Avenue
Glendale, AZ 85301

Voting Meeting Agenda

City Council

Mayor Jerry Weiers
Vice Mayor Yvonne J. Knaack
Councilmember Norma Alvarez
Councilmember Samuel Chavira
Councilmember Ian Hugh
Councilmember Manny Martinez
Councilmember Gary Sherwood

Monday, November 24, 2014 **6:00 PM** **Council Chambers**

Voting Meeting

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.

APPROVAL OF THE MINUTES OF OCTOBER 28, 2014

1. **14-438** APPROVAL OF THE MINUTES OF OCTOBER 28, 2014
Staff Contact: Pamela Hanna, City Clerk

Attachments: Minutes of October 28, 2014

BOARDS, COMMISSIONS AND OTHER BODIES

APPROVE CORRECTED RECOMMENDED APPOINTMENTS TO BOARDS, COMMISSIONS AND OTHER BODIES

PRESENTED BY: Councilmember Ian Hugh

2. **14-442** APPROVE CORRECTED BOARDS AND COMMISSIONS APPOINTMENTS
Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

PROCLAMATIONS AND AWARDS

3. **14-415** PROCLAMATION RECOGNIZING THE ACCOMPLISHMENTS OF GLENDALE UNION HIGH SCHOOL DISTRICT
Staff Contact: Office of the Mayor
Presented By: Office of the Mayor
Accepted By: Superintendent Eugene Dudo and Glendale Union High School Board members

4. **14-422** AWARD PRESENTATION OF PARKS AND RECREATION AGENCY ACCREDITATION
Staff Contact: Erik Strunk, Director, Community Services
Presenter: John Krystek, Chairman of the Parks and Recreation Advisory Commission

CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council. Items on the consent agenda are intended to be acted upon in one motion unless the Council wishes to hear any of the items separately.

5. **14-385** APPROVE SPECIAL EVENT LIQUOR LICENSE, ARIZONA SPORTS FOUNDATION
Staff Contact: Susan Matousek, Revenue Administrator

Attachments: Application
Calls for Service

6. **14-387** APPROVE SPECIAL EVENT LIQUOR LICENSE, LUMP BUSTERS
Staff Contact: Susan Matousek, Revenue Administrator

Attachments: Application
Calls for Service

7. **14-362** APPROVE LIQUOR LICENSE NO. 5-14745, OPA LIFE GREEK CAFE
Staff Contact: Susan Matousek, Revenue Administrator

Attachments: Map
Calls for Service

8. **14-383** APPROVE LIQUOR LICENSE NO. 5-14663, FIRED PIE
Staff Contact: Susan Matousek, Revenue Administrator

Attachments: Map
Calls for Service

9. **14-367** AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH TERRA VERDE, LLC FOR SECURITY RELATED CONSULTING, EQUIPMENT, AND SERVICES UTILIZING A CITY OF AVONDALE COOPERATIVE CONTRACT
Staff Contact: Tom Duensing, Director, Finance and Technology

Attachments: Linking Agreement_TVS

Purchase Agreement_City of Avondale

10. **14-354** EXPENDITURE AUTHORIZATION FOR SERVICE AND MAINTENANCE OF THE CITY'S HANSEN INFORMATION TECHNOLOGIES BUSINESS MANAGEMENT SOFTWARE
Staff Contact: Tom Duensing, Director, Finance & Technology

Attachments: C-4543

Quote_Infor (Hansen)

Hansen Agreement_license cancellation

11. **14-368** AUTHORIZATION TO ENTER INTO A USER AGREEMENT WITH VERIZON WIRELESS FOR CELLULAR SERVICES UTILIZING A WESTERN STATES CONTRACTING ALLIANCE COOPERATIVE CONTRACT
Staff Contact: Tom Duensing, Director, Finance and Technology

Attachments: WSCA_Authorized_User_Agreement

Participating Addendum

12. **14-386** AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH GREENBERG TRAURIG, LLP FOR THE PROVISION OF BOND COUNSEL SERVICES UTILIZING AN ARIZONA STATE AND GREENBERG TRAURIG, LLP PURCHASING COOPERATIVE CONTRACT
Staff Contact: Tom Duensing, Director, Finance and Technology

Attachments: Linking Agreement between the City of Glendale, Arizona and Greenberg Trauri

13. **14-377** EXPENDITURE AUTHORIZATION FOR PRISONER DETENTION SERVICES FROM MARICOPA COUNTY
Staff Contact: Debora Black, Police Chief

14. **14-436** AUTHORIZATION TO RENEW THE SOFTWARE MAINTENANCE SERVICE CONTRACT WITH INTERGRAPH CORPORATION FOR THE GLENDALE POLICE DEPARTMENT COMPUTER AIDED DISPATCH SYSTEM
Staff Contact: Debora Black, Police Chief

Attachments: CAD Software Maintenance Agreement

Original Agreement C7811

Amendment to Agreement C7811-1

15. **14-426** AUTHORIZATION TO ENTER INTO LINKING AGREEMENT WITH KRONOS, INC. FOR TELESTAFF, A FIRE STAFF AND SCHEDULING SOFTWARE
Staff Contact: Mark Burdick, Fire Chief

Attachments: Linking Agreement Kronos

16. **14-429** AUTHORIZATION TO ENTER INTO AN AGREEMENT SUBSTANTIALLY IN THE FORM ATTACHED TO THE COUNCIL REPORT WITH STRENGTH TRAINING INCORPORATED FOR OCCUPATIONAL HEALTH MEDICAL SERVICES

Staff Contact: Mark Burdick, Fire Chief

Attachments: Strength Training contract -Final 11.14.14

17. **14-407** RATIFICATION OF EXPENDITURE OF FUNDS FOR FESTIVAL ADVERTISING, SPONSORSHIP AND OTHER PROMOTIONAL SERVICES FROM SCRIPPS MEDIA, INC.
Staff Contact: Julie Watters, Director, Communications

Attachments: Contract for 14-407

18. **14-423** AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH SUNBURST LANDSCAPING, INC. FOR INSTALLATION OF XERISCAPING AT GLENDALE PUBLIC HOUSING
Staff Contact: Erik Strunk, Director, Community Services

Attachments: Sunburst Landscaping Contract

19. **14-401** AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH VERTECH INDUSTRIAL SYSTEMS FOR ENGINEERING SUPPORT AND SERVICES FOR WATER AND WASTEWATER PROCESS CONTROL SYSTEMS UTILIZING A CITY OF BUCKEYE COOPERATIVE PURCHASING CONTRACT
Staff Contact: Craig Johnson, P.E., Director, Water Services

Attachments: COG Vertech Linking agreement.pdf

Buckeye Contract No. 2013-035.pdf

20. **14-402** AWARD OF BID IFB 15-18, AUTHORIZATION TO ENTER INTO AN AGREEMENT AND EXPENDITURE OF FUNDS TO REYES & SONS LANDSCAPING, LLC FOR AQUIFER RECHARGE FACILITY MAINTENANCE SERVICES
Staff Contact: Craig Johnson, P.E., Director, Water Services

Attachments: IFB 15-18 BidTab.pdf

Agreement for Aquifer Recharge Facility Maintenance

21. **14-403** AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH PRIMATECH L.L.C. FOR PHASE IV OF THE WASTEWATER COLLECTION SYSTEM AND MANHOLE REHABILITATION PROJECT
Staff Contact: Craig Johnson, P.E., Director, Water Services

Attachments: PSA contract_signed.pdf

22. **14-406** AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH CH2M HILL ENGINEERS, INC. FOR THUNDERBIRD RESERVOIR IMPROVEMENTS
Staff Contact: Craig Johnson, P.E., Director, Water Services

Attachments: PSA contract signed_Tbird Reservoir.pdf

23. **14-380** AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH COMBS CONSTRUCTION COMPANY, INC. FOR AIRPORT APRON AND

LIGHTING IMPROVEMENTS
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Agreement - Combs Construction

24. **14-400** AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH C & S ENGINEERS, INC. FOR CONSTRUCTION ADMINISTRATION SERVICES FOR GLENDALE MUNICIPAL AIRPORT IMPROVEMENTS
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Agreement - C&S Engineers

25. **14-394** AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH RITOCH-POWELL & ASSOCIATES CONSULTING ENGINEERS, INC. FOR DESIGN AND CONSTRUCTION SERVICES FOR THE FISCAL YEAR 2014-15 PAVEMENT MANAGEMENT PROGRAM
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Agreement

26. **14-397** AUTHORIZATION FOR THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TRUCK REPAIR PHOENIX, LLC FOR LANDFILL HEAVY EQUIPMENT MAINTENANCE AND REPAIR SERVICE
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Agreement
Bid Tabulation

27. **14-399** AUTHORIZATION TO ENTER INTO AMENDMENT NUMBER FOUR TO EXTEND THE CURRENT CONTRACT WITH SOUTHWEST FABRICATION, LLC
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Amendment No. 4 Southwest Fabrication

28. **14-409** AUTHORIZATION FOR A BUDGET APPROPRIATION CONTINGENCY TRANSFER TO CAPITAL PROJECTS BUILDING MAINTENANCE RESERVE FOR VARIOUS CRITICAL OR SAFETY-RELATED REPAIR AND REPLACEMENT PROJECTS AT CITY FACILITIES
Staff Contact: Jack Friedline, Director, Public Works

Attachments: FY14-15 Building Maintenance Capital Repair and Replacement Projects

29. **14-413** APPROVAL OF THE FISCAL YEAR 2014-15 GILA RIVER ARENA CAPITAL REPAIRS / REPLACEMENT PROGRAM AND AUTHORIZATION FOR THE CITY MANAGER TO RELEASE ESCROW ACCOUNT FUNDS TO ICEARIZONA MANAGER CO., LP FOR THE FISCAL YEAR 2014-15 GILA RIVER ARENA CAPITAL REPAIRS/ REPLACEMENT PROGRAM
Staff Contact: Jack Friedline, Director, Public Works

Attachments: FY 2014-15 Gila River Arena Capital Repairs-Replacement Program

30. **14-414** APPROVAL OF THE FISCAL YEAR 2014-15 CAMELBACK RANCH SPRING TRAINING FACILITY CAPITAL REPAIRS/ REPLACEMENT PROGRAM AND RATIFICATION OF EXPENDITURES OF FUNDS AND AUTHORIZATION FOR THE CITY MANAGER TO EXPEND FUNDS TO REIMBURSE CAMELBACK SPRING TRAINING, LLC FOR CAPITAL REPAIRS MADE AT CAMELBACK RANCH SPRING TRAINING FACILITY IN FISCAL YEAR 2014-15
Staff Contact: Jack Friedline, Director, Public Works

Attachments: FY 2014-15 Camelback Ranch Spring Training Facility Capital Repairs-Replace

CONSENT RESOLUTIONS

31. **14-391** AUTHORIZATION TO ENTER INTO A TEMPORARY LICENSE AGREEMENT WITH SPRINT SPECTRUM REALTY COMPANY, L.P. FOR THE INSTALLATION OF A MOBILE CELL SITE LOCATED AT GRAND CANAL LINEAR PARK
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Resolution 4892
Sprint Temp License Agreement-Grand Canal Park

32. **14-379** AUTHORIZATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH MARICOPA COUNTY ADULT PROBATION DEPARTMENT FOR EXCHANGE OF PROBATION DATA AND LAW ENFORCEMENT INFORMATION
Staff Contact: Debora Black, Police Chief

Attachments: Resolution 4893
Agreement - MOU with MCAPD

33. **14-396** EXPENDITURE AUTHORIZATION FOR ANNUAL AMORTIZED EQUIPMENT AND DISPATCH COSTS FOR FISCAL YEAR 2014-15 WITH THE CITY OF PHOENIX FOR COMPUTER AIDED DISPATCH SERVICES
Staff Contact: Mark Burdick, Fire Chief

Attachments: Resolution 4894 with exhibits
Original IGA C-4942

34. **14-393** AMENDMENTS TO CITY COUNCIL GUIDELINES
Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

Attachments: Resolution 4895
FINAL C-Guidelines amended 11-24-2014

35. **14-430** INDUSTRIAL COMMISSION OF ARIZONA SELF-INSURANCE RENEWAL AND SECURITY DEPOSIT EXEMPTION
Staff Contact: Jim Brown, Director, Human Resources & Risk Management

Attachments: Resolution 4896
ICA Workers Compensation Liability Form
11-30-14 Draft Letter to ICA Requesting Exemption
Unaudited Statement of Revenue-Expenses Workers Comp Fund

36. **14-425** AUTHORIZATION TO ENTER INTO A SETTLEMENT AGREEMENT WITH WOOLF FAMILY ENTERPRISES FOR UNPAID INVOICES
Staff Contact: Deborah Robberson, Chief Deputy City Attorney
Brian Friedman, Director, Economic Development
Staff Presenter: Deborah Robberson, Chief Deputy City Attorney

Attachments: Resolution 4897
11-17-14 Woolf Settlement Agreement and Mutual Release Partially Executed

PUBLIC HEARING - LAND DEVELOPMENT ACTIONS

37. **14-417** REZONING APPLICATION ZON14-02 (ORDINANCE) Copper Cove 4 (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

Attachments: Ordinance 2916
ZON14-02 PP14-01 PC MIN EXCERPT 10-2-14
Copper Cove Phase 4 6-9-14
Copper Cove 4 CPP Final
ZON14-02
ZON14-02a

38. **14-418** ANNEXATION APPLICATION AN-173 (ORDINANCE): SABRE BUSINESS PARK (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

Attachments: Ordinance 2917
Fiscal Report
AN-173
AN-173A

39. **14-419** ANNEXATION POLICY UPDATE (RESOLUTION) (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

Attachments: Resolution 4898
Annexation Policy - Amended

LAND DEVELOPMENT ACTIONS

40. **14-416** PRE-ANNEXATION DEVELOPMENT AGREEMENT: ZANJERO PASS (RESOLUTION)
Staff Contact: Jon M. Froke, AICP, Planning Director

Attachments: Resolution 4899

Pre Annexation Development Agreement

ORDINANCES

41. 14-432 ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF GLENDALE MUNICIPAL PROPERTY CORPORATION BONDS WITH CITY OF GLENDALE, ARIZONA EXCISE TAX REVENUE REFUNDING OBLIGATIONS AND PLEDGE CERTAIN EXCISE TAXES AND RECEIPTS TOWARD THE REFUNDING OBLIGATIONS
Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Attachments: Ordinance 2918

OS Glendale Excise 2015AB POS

PowerPoint presentation

42. 14-433 ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF CITY OF GLENDALE, ARIZONA GENERAL OBLIGATION BONDS WITH THE SALE AND ISSUANCE OF CITY OF GLENDALE, ARIZONA GENERAL OBLIGATION REFUNDING BONDS
Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Attachments: Ordinance 2919

Glendale GO Refunding 2015_POS

43. 14-434 ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF CITY OF GLENDALE, ARIZONA WATER AND SEWER REVENUE BONDS AND OBLIGATIONS WITH THE SALE AND ISSUANCE OF CITY OF GLENDALE, ARIZONA WATER AND SEWER REVENUE REFUNDING OBLIGATIONS AND PLEDGE WATER AND SEWER REVENUES TOWARD THE REFUNDING OBLIGATIONS
Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Attachments: Ordinance 2920

Glendale WaterandSewer 2015 RFD POS_

44. **14-435** ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF CITY OF GLENDALE, ARIZONA TRANSPORTATION EXCISE TAX REVENUE OBLIGATIONS WITH THE SALE AND ISSUANCE OF CITY OF GLENDALE, ARIZONA TRANSPORTATION EXCISE TAX REVENUE REFUNDING OBLIGATIONS AND PLEDGE TRANSPORTATION EXCISE TAX REVENUES TOWARD THE REFUNDING OBLIGATIONS
Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Attachments: Ordinance 2921

Transportation Excise Tax Refunding 2015 POS_V3

45. **14-479** ABANDONMENT OF A PUBLIC SEWER LINE EASEMENT AT ASPERA
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Ordinance 2922

Exhibit A to Ordinance-Aspera Sewerline Easement Abandonment

Quit Claim Deed-Aspera Sewerline Easement Abandonment

Map-Aspera Sewerline Easement Abandonment

46. **14-480** ABANDONMENT OF A PUBLIC WATER LINE EASEMENT AT ASPERA
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Ordinance 2923

Exhibit A to Ordinance-Aspera Waterline Easement Abandonment

Quit Claim Deed-Aspera Waterline Easement Abandonment

Map-Aspera Waterline Easement Abandonment

47. **14-481** ABANDONMENT OF PATENT EASEMENTS WEST OF 75TH AVENUE AND SOUTH OF ROSE GARDEN LANE
Staff Contact: Jack Friedline, Director, Public Works

Attachments: Ordinance 2924

Exhibits to Ordinance-Patent Easement Abandonment

Quit Claim Deed 1-Abandonment of Patent Easements

Quit Claim Deed 2-Abandonment of Patent Easements

Map-Abandonment of Patent Easements

RESOLUTIONS

48. **14-395** 2014 GENERAL ELECTION CANVASS OF VOTE

Staff Contact: Pamela Hanna, City Clerk

Attachments: Resolution 4900 with exhibits

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

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. When your name is called by the Mayor, please proceed to the podium. State your name and the city in which you reside for the record. If you reside in the City of Glendale, please state the Council District you live in (if known) and begin speaking. Please limit your comments to a period of three minutes or less.

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)).

This agenda has been reviewed and approved for posting by Brenda S. Fischer, ICMA-CM, City Manager.

Legislation Description

File #: 14-438, **Version:** 1

APPROVAL OF THE MINUTES OF OCTOBER 28, 2014
Staff Contact: Pamela Hanna, City Clerk

powered by Legistar™

City of Glendale

5850 West Glendale Avenue
Glendale, AZ 85301

Meeting Minutes - Draft

Tuesday, October 28, 2014

6:00 PM

Voting Meeting

Council Chambers

City Council

Mayor Jerry Weiers
Vice Mayor Yvonne J. Knaack
Councilmember Norma Alvarez
Councilmember Samuel Chavira
Councilmember Ian Hugh
Councilmember Manny Martinez
Councilmember Gary Sherwood

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PRAYER/INVOCATION

Also present were Brenda Fischer, City Manager; Julie Frisoni, Assistant City Manager; Jennifer Campbell, Assistant City Manager; Michael Bailey, City Attorney; Pamela Hanna, City Clerk; and Darcie McCracken, Deputy City Clerk.

Present: 7 - Mayor Jerry Weiers, Vice Mayor Yvonne J. Knaack, Councilmember Norma Alvarez, Councilmember Samuel Chavira, Councilmember Ian Hugh, Councilmember Manny Martinez, and Councilmember Gary Sherwood

1. 14-376 APPROVAL OF THE MINUTES OF OCTOBER 14, 2014
Staff Contact: Pamela Hanna, City Clerk

A motion was made by Councilmember Martinez, seconded by Councilmember Hugh, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

2. 14-311 BOARDS, COMMISSIONS & OTHER BODIES
Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

Councilmember Alvarez asked about the Glendale Municipal Property Corporation, she said she looked at some documents and these appointees have been there more than 2 or 4 years and some have been there more than 10 or 15 years. She wondered is it different for that board than it is for the other boards. She asked if they were going to be there for life.

Councilmember Martinez said all the boards have terms. He explained for boards like this, it is difficult to find individuals that are interested in serving. He said they serve at the pleasure of the Council and they are always looking for individuals that want to serve. He said the next time nominations are available, he said nominations can be submitted at that time.

Councilmember Alvarez said there was no Ocotillo representative on this board. She said those board positions should be rotated. She said she would like to have a member of the Ocotillo district appointed to this board.

The appointees were called to the podium and sworn in by the Mayor.

A motion was made by Councilmember Hugh, seconded by Councilmember Sherwood, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

3. 14-369 RECOGNIZING THE 10 YEARS OF SERVICE AND CONTRIBUTIONS OF ED SHARPE AND THE GLENDALE DAILY PLANET
Staff Contact: Mayor's Office

Accepted By: Ed Sharpe, Glendale Daily Planet

Mayor Weiers recognized the service by proclamation of Ed Sharpe.

CONSENT AGENDA

Ms. Brenda Fischer, City Manager, read agenda item numbers 4 through 9.

4. **14-333** APPROVE LIQUOR LICENSE NO. 5-14633, NEW EASY TRIP
Staff Contact: Susan Matousek, Revenue Administrator

This agenda item was approved.

5. **14-342** AUTHORIZATION TO EXTEND AGREEMENT TERMS, APPROVE EXPENDITURE OF FUNDS, AND RATIFY EXPENDITURES FOR THE PURCHASE OF HYDROGEN PEROXIDE FROM US PEROXIDE, LLC
Staff Contact: Craig Johnson, P.E., Director, Water Services

This agenda item was approved.

6. **14-349** POSITION RECLASSIFICATION
Staff Contact: Jim Brown, Director, Human Resources and Risk Management

This agenda item was approved.

7. **14-340** EXPENDITURE AUTHORIZATION FOR THE PURCHASE OF EQUIPMENT FROM PROFORCE MARKETING, INC. FOR THE GLENDALE POLICE DEPARTMENT
Staff Contact: Rick St. John, Assistant Police Chief

This agenda item was approved.

8. **14-329** AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH BAS, INC. FOR LANDFILL GENERAL ENGINEERING SERVICES
Staff Contact: Jack Friedline, Director, Public Works

This agenda item was approved.

9. **14-332** AUTHORIZATION TO PURCHASE TWO INDUSTRIAL FORKLIFTS FOR THE MATERIALS RECOVERY FACILITY FROM NAUMANN/HOBBS MATERIAL HANDLING CORPORATION II, INC.
Staff Contact: Jack Friedline, Director, Public Works

This agenda item was approved.

MOTION TO APPROVE CONSENT AGENDA

It was moved by Vice Mayor Knaack and seconded by Councilmember Chavira to approve the recommended actions on Consent Agenda items 4 through 9.

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

CONSENT RESOLUTIONS

Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 10 through 24.

10. 14-327 AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY FLOOD CONTROL DISTRICT FOR A RECREATION EASEMENT AT SKUNK CREEK AND BELL ROAD

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4877 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 ENTITLED "NON-EXCLUSIVE NON-MOTORIZED RECREATION EASEMENT" WITH THE MARICOPA COUNTY FLOOD CONTROL DISTRICT GRANTING THE CITY OF GLENDALE AN EASEMENT IN SKUNK CREEK, SOUTH OF THE BELL ROAD BRIDGE, AT APPROXIMATELY THE 73RD AVENUE ALIGNMENT FOR THE ACDC MULTI-USE PATH PROJECT.

This agenda item was approved.

11. 14-328 AUTHORIZATION TO ENTER INTO A JOINT FUNDING AGREEMENT WITH THE UNITED STATES DEPARTMENT OF THE INTERIOR U.S. GEOLOGICAL SURVEY FOR STORMWATER TESTING SERVICES

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4878 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 A JOINT FUNDING AGREEMENT WITH THE UNITED STATES DEPARTMENT OF INTERIOR, U.S. GEOLOGICAL SURVEY, FOR WATER RESOURCES INVESTIGATIONS OF THE CHEMICAL COMPOSITION OF URBAN STORMWATER.

This agenda item was approved.

12. 14-330 AUTHORIZATION OF LICENSE AGREEMENT WITH VERIZON WIRELESS (VAW), LLC FOR THE INSTALLATION OF A DISTRIBUTED ANTENNA SYSTEM (SMALL CELL) ON A CITY STREETLIGHT WITHIN PUBLIC RIGHT-OF-WAY AT 7606 WEST BELL ROAD

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4879 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 COMMUNICATIONS SITE LICENSE AGREEMENT WITH VERIZON WIRELESS LLC, DBA VERIZON WIRELESS FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF A SMALL CELL WIRELESS COMMUNICATIONS FACILITY LOCATED WITHIN PUBLIC RIGHT-OF-WAY AT 7606

WEST BELL ROAD IN GLENDALE, ARIZONA.

This agenda item was approved.

13. 14-331 AUTHORIZATION OF LICENSE AGREEMENT WITH VERIZON WIRELESS (VAW), LLC FOR THE INSTALLATION OF A DISTRIBUTED ANTENNA SYSTEM (SMALL CELL) ON A CITY STREETLIGHT WITHIN PUBLIC RIGHT-OF-WAY AT 17530 NORTH 75TH AVENUE

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4880 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 COMMUNICATIONS SITE LICENSE AGREEMENT WITH VERIZON WIRELESS LLC, DBA VERIZON WIRELESS FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF A SMALL CELL WIRELESS COMMUNICATIONS FACILITY LOCATED WITHIN PUBLIC RIGHT-OF-WAY AT 17530 NORTH 75TH AVENUE IN GLENDALE, ARIZONA.

This agenda item was approved.

14. 14-334 AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION FOR THE GRAND CANYON STATE LOGO SIGNS PROGRAM

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4881 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 STATE OF ARIZONA, DEPARTMENT OF TRANSPORTATION, FOR THE GRAND CANYON STATE LOGO SIGNS PROJECT (JPA 14-0004472-I), FOR INSTALLATION AND MAINTENANCE OF PATHFINDER SIGNS WITHIN THE RIGHTS-OF-WAY IN GLENDALE, ARIZONA.

This agenda item was approved.

15. 14-336 AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PHOENIX FOR FEDERAL TRANSIT ADMINISTRATION GRANT NO. AZ-90-X131 - BUS FLEET PREVENTIVE MAINTENANCE

Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4882 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 CITY OF PHOENIX FOR FEDERAL GRANT PASS THROUGH FUNDING (AGREEMENT NO. AZ-90-X131) FOR THE PURPOSE OF PREVENTATIVE MAINTENANCE AND IMPROVING GLENDALE'S TRANSIT SERVICES.

This agenda item was approved.

16. **14-337** AUTHORIZATION TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PHOENIX FOR FEDERAL TRANSIT ADMINISTRATION GRANT NO. AZ-95-X027 - REPLACEMENT OF TWO GUS BUSES
Staff Contact: Jack Friedline, Director, Public Works

RESOLUTION NO. 4883 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 CITY OF PHOENIX FOR FEDERAL GRANT PASS THROUGH FUNDING (AGREEMENT NO. AZ-95-X027) FOR THE PURCHASE OF TWO THIRTY-FOOT TRANSIT BUSES FOR THE PURPOSE OF ENHANCING GLENDALE'S TRANSIT SERVICES.

This agenda item was approved.

17. **14-335** AUTHORIZATION TO ACCEPT THE FEDERAL FISCAL YEAR 2014 HOMELAND SECURITY GRANT PROGRAM AWARD AND ENTER INTO GRANT AGREEMENT NUMBER 140803-01 WITH THE ARIZONA DEPARTMENT OF HOMELAND SECURITY
Staff Contact: Debora Black, Police Chief

RESOLUTION NO. 4884 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 ACCEPTANCE OF THE FFY 2014 HOMELAND SECURITY GRANT PROGRAM AWARD (AGREEMENT NO. 140803-01) FROM THE STATE OF ARIZONA, DEPARTMENT OF HOMELAND SECURITY, TO ASSIST WITH THE 2014 GLENDALE PD TLO SUSTAINMENT PROJECT IN THE APPROXIMATE AMOUNT OF $7,326 (SEVEN THOUSAND, THREE HUNDRED TWENTY-SIX DOLLARS) ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.

This agenda item was approved.

18. **14-341** AUTHORIZATION TO ACCEPT THE FEDERAL FISCAL YEAR 2014 HOMELAND SECURITY GRANT PROGRAM AWARD AND ENTER INTO GRANT AGREEMENT NUMBER 140803-02 WITH THE ARIZONA DEPARTMENT OF HOMELAND SECURITY
Staff Contact: Debora Black, Police Chief

RESOLUTION NO. 4885 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 ACCEPTANCE OF THE FFY 2014 HOMELAND SECURITY GRANT PROGRAM AWARD (AGREEMENT NO. 140803-02) FROM THE STATE OF ARIZONA, DEPARTMENT OF HOMELAND SECURITY, TO ASSIST WITH THE 2014 GLENDALE PD RRT SUSTAINMENT PROJECT IN THE APPROXIMATE AMOUNT OF $108,000 (ONE HUNDRED EIGHT THOUSAND DOLLARS) ON BEHALF OF THE GLENDALE POLICE DEPARTMENT.

This agenda item was approved.

19. **14-359** RESOLUTION OF SUPPORT AND ACCEPTANCE OF GRANT FUNDS FOR THE GLENDALE NEW LIFE COMMUNITY CHURCH FROM TOHONO O'ODHAM INDIAN COMMUNITY STATE-SHARED

REVENUE FUNDS

Staff Contact: Tom Duensing, Director, Finance and Technology

RESOLUTION NO. 4886 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 SUBMITTAL OF AN APPLICATION FOR AN INDIAN GAMING REVENUE SHARING GRANT TO TOHONO O'ODHAM NATION ON BEHALF OF THE NEW LIFE COMMUNITY CHURCH IN THE AMOUNT OF $24,000. (TWENTY-FOUR THOUSAND DOLLARS)

This agenda item was approved.

20. 14-357 AUTHORIZATION TO ACCEPT THE 2014 GRANT FUNDS FROM THE ARIZONA DEPARTMENT OF HOMELAND SECURITY - TLO SUSTAINMENT GRANT #140802-01

Staff Contact: Mark Burdick, Fire Chief

RESOLUTION NO. 4887 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORI-ZING THE ACCEPTANCE OF FFY 2014 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT FUNDING IN THE APPROXIMATE AMOUNT OF $11,520 (ELEVEN THOUSAND, FIVE HUNDRED TWENTY DOLLARS) ON BEHALF OF THE GLENDALE FIRE DEPARTMENT AND AUTHORIZING THE EXPENDITURE OF SUCH FUNDS FOR EQUIPMENT AND SERVICES IN SUPPORT OF THE TLO SUSTAINMENT PROGRAM.

This agenda item was approved.

21. 14-360 AUTHORIZATION TO ACCEPT THE 2014 GRANT FUNDS FROM THE ARIZONA DEPARTMENT OF HOMELAND SECURITY – RRT SUSTAINMENT GRANT #140802-02

Staff Contact: Mark Burdick, Fire Chief

RESOLUTION NO. 4888 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 ACCEPTANCE OF FFY 2014 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT FUNDING IN THE APPROXIMATE AMOUNT OF $108,000 (ONE HUNDRED EIGHT THOUSAND DOLLARS) ON BEHALF OF THE GLENDALE FIRE DEPARTMENT AND AUTHORIZING THE EXPENDITURE OF SUCH FUNDS FOR TRAINING AND EQUIPMENT PURCHASE IN SUPPORT OF THE GLENDALE FIRE RAPID RESPONSE TEAM (RRT) PROGRAM.

This agenda item was approved.

22. 14-361 AUTHORIZATION FOR DESIGNATION OF APPLICANT'S AGENT FOR STATE DISASTER REIMBURSEMENT

Staff Contact: Mark Burdick, Fire Chief

RESOLUTION NO. 4889 NEW SERIES WAS READ BY NUMBER AND TITLE ONLY, IT BEING A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, DESIGNATING THE CITY'S EMERGENCY MANAGER AS AGENT AND AUTHORIZING THE AGENT TO EXECUTE APPLICATIONS WITH THE ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS, DIVISION OF EMERGENCY MANAGEMENT AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FOR THE PURPOSE OF OBTAINING FINANCIAL ASSISTANCE UNDER THE DISASTER RELIEF ACT.

This agenda item was approved.

23. 14-365 AUTHORIZATION TO ACCEPT THE 2014 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT - MMRS PROGRAM #140202-01
Staff Contact: Mark Burdick, Fire Chief

RESOLUTION NO. 4890 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 ACCEPTANCE OF FFY 2014 ARIZONA DEPARTMENT OF HOMELAND SECURITY GRANT FUNDING IN THE APPROXIMATE AMOUNT OF $24,955 (TWENTY-FOUR THOUSAND, NINE HUNDRED FIFTY-FIVE DOLLARS) ON BEHALF OF THE GLENDALE FIRE DEPARTMENT AND AUTHORIZING THE EXPENDITURE OF SUCH FUNDS TO PURCHASE EQUIPMENT IN SUPPORT OF THE MMRS PROGRAM.

This agenda item was approved.

24. 14-366 AUTHORIZATION TO ACCEPT THE 2013 STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT FROM THE US DEPARTMENT OF HOMELAND SECURITY
Staff Contact: Mark Burdick, Fire Chief

RESOLUTION NO. 4891 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 ACCEPTANCE AND EXPENDITURE OF ADDITIONAL FUNDING FOR HEALTH INSURANCE BENEFITS FROM THE FEDERAL STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT IN THE AMOUNT OF $343,860 (THREE HUNDRED, FORTY-THREE THOUSAND, EIGHT HUNDRED SIXTY DOLLARS) FOR A TOTAL OF $2,281,980 (TWO MILLION, TWO HUNDRED EIGHTY-ONE THOUSAND, NINE HUNDRED EIGHTY DOLLARS) IN CONNECTION WITH THE HIRING OF UP TO 15 FIREFIGHTERS.

This agenda item was approved.

MOTION TO APPROVE CONSENT RESOLUTIONS

A motion was made by Vice Mayor Knaack, seconded by Councilmember Martinez, that Consent Resolution agenda items 9 through 24 be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

PUBLIC HEARING - LAND DEVELOPMENT ACTIONS

25. 14-350 ANNEXATION AN-192 EAST OF THE SOUTHEAST CORNER OF THE NEW RIVER AND THE BEAUBIEN DRIVE ALIGNMENT (ORDINANCE) (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

ORDINANCE NO. 2909 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF GLENDALE, MARICOPA COUNTY, STATE

OF ARIZONA PURSUANT TO THE PROVISIONS OF A.R.S. § 9-471.02, BY ANNEXING THERETO CERTAIN TERRITORY CONSISTING OF APPROXIMATELY 2.6 ACRES EAST OF THE SOUTHEAST CORNER OF THE NEW RIVER AND THE BEAUBIEN DRIVE ALIGNMENT, TO BE KNOWN AS ANNEXATION AREA NO. 192.

Mr. Froke said agenda items 25 through 28 are interrelated in conjunction with a request to adjust the city limits line in and around the River channel near Rose Garden Lane between Glendale and Peoria. He said this has been done at other locations up and down New River channel over the last several years. He said this change will allow continued development of the Aspera PAD and the Church of Joy campus. He said if these items are approved, it would allow the city of Peoria to complete their multi use trail system on the west side or New River. This first request totals 2.6 acres.

Mayor Weiers asked Mr. Froke about the section of land near the Church of Joy and confirmed that area would be annexed into the City of Peoria. He asked who owned that property.

Mr. Froke said that was owned by an entity of the Church of Joy.

Mayor Weiers asked if the Church of Joy was in agreement with this land exchange.

Mr. Froke said they have been working on this annexation for about the last 16 to 18 months and everyone was on board.

Mayor Weiers conducted a public hearing on this item. There were no speakers for this item.

Ms. Hanna read the ordinance by number and title.

A motion was made by Councilmember Martinez, seconded by Councilmember Hugh, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

26. 14-351 ANNEXATION AN-193 EAST OF THE SOUTHEAST CORNER OF THE NEW RIVER AND THE CLARA LANE ALIGNMENT (ORDINANCE) (PUBLIC HEARING REQUIRED)

Staff Contact: Jon M. Froke, AICP, Planning Director

ORDINANCE NO. 2910 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF GLENDALE, MARICOPA COUNTY, STATE OF ARIZONA PURSUANT TO THE PROVISIONS OF A.R.S. § 9-471.02, BY ANNEXING THERETO CERTAIN TERRITORY CONSISTING OF APPROXIMATELY 3.9 ACRES EAST OF THE SOUTHEAST CORNER OF THE NEW RIVER AND THE CLARA LANE ALIGNMENT, TO BE KNOWN AS ANNEXATION AREA NO. 193.

Mr. Froke said this was a request to annex 3.9 acres on the southeast corner of New River Channel and the Clara Lane alignment. He said it was just west of the Aspera development and the Church of Joy. He said staff is recommending that this area be annexed. Once the ordinance is adopted, the Glendale portion of this action will be completed.

Mayor Weiers conducted a public hearing on this item. There were no speakers for this item.

Ms. Hanna read the ordinance by number and title.

A motion was made by Councilmember Hugh, seconded by Councilmember Martinez, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

27. 14-352 DEANNEXATION AN-194 WEST OF THE SOUTHWEST CORNER OF THE NEW RIVER AND THE ROSE GARDEN LANE ALIGNMENT (ORDINANCE) (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

ORDINANCE NO. 2911 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, DEANNEXING CERTAIN REAL PROPERTY AND DEDICATED ROADWAYS, AN APPROXIMATELY 0.8 ACRE PARCEL, LOCATED WEST OF THE SOUTHWEST CORNER OF THE NEW RIVER AND THE ROSE GARDEN LANE ALIGNMENT FROM THE CITY OF GLENDALE, MARICOPA COUNTY, STATE OF ARIZONA, CONTINGENT UPON ANNEXATION OF SAID PROPERTY BY THE CITY OF PEORIA, MARICOPA COUNTY, STATE OF ARIZONA PURSUANT TO THE PROVISIONS OF A.R.S. § 9-471.02, BY DEANNEXING THERETO CERTAIN TERRITORY TO BE KNOWN AS ANNEXATION AREA NO. 194.

Mr. Froke said this is a de-annexation request for property approximately .8 acres in size close to the Church of Joy campus. This action would put that property into the city of Peoria. Staff recommends this area be de-annexed.

Mayor Weiers conducted a public hearing on this item.

Bill Demski, a Sahuaro resident, said he just heard that this property was owned by the Church of Joy. He asked if any property taxes were going to be paid on this property as it was church owned.

Mayor Weiers said the cities of Peoria and Glendale are swapping land to make it easier for both cities. He said he was not going to make a statement on the property taxes as he did not know.

Mr. Demski said he pays property taxes and everyone pays taxes except Cabela's. He asked if the land developed by the Church of Joy going to pay taxes on that land. There was further discussion about the Church of Joy not paying property taxes on this.

Vice Mayor Knaack said Mr. Duensing would be happy to talk to Mr. Demski about the property taxes.

Mr. Demski said the Council was voting on giving land to the Church of Joy and no one knew if they were going to pay property taxes.

Councilmember Martinez asked if Mr. Demski was referring to all the property that was being developed in the Aspera project. He said if that was the property referred to by Mr. Demski, they will be paying taxes like anyone else because they bought the property.

Mr. Demski said it is an entity owned by the Church of Joy, so if it owned by the Church of Joy, it is a nonprofit, his question is are they going to pay taxes.
Councilmember Martinez said he believed they were talking about .8 of an acre.

Mayor Weiers said he would be happy to speak with Mr. Demski in his office and would try and get him the answers.

Mayor Weiers closed the public hearing.

Ms. Hanna read the ordinance by number and title.

A motion was made by Vice Mayor Knaack, seconded by Councilmember Sherwood, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

28. 14-353 DEANNEXATION AN-195 WEST OF THE SOUTHWEST CORNER OF THE NEW RIVER AND THE ROSS AVENUE ALIGNMENT (ORDINANCE) (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

ORDINANCE NO. 2912 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, DEANNEXING CERTAIN REAL PROPERTY AND DEDICATED ROADWAYS, AN APPROXIMATELY 1.36 ACRE PARCEL, LOCATED WEST OF THE SOUTHWEST CORNER OF THE NEW RIVER AND THE ROSS AVENUE ALIGNMENT FROM THE CITY OF GLENDALE, MARICOPA COUNTY, STATE OF ARIZONA, CONTINGENT UPON ANNEXATION OF SAID PROPERTY BY THE CITY OF PEORIA, MARICOPA COUNTY, STATE OF ARIZONA PURSUANT TO THE PROVISIONS OF A.R.S. § 9-471.02, BY DEANNEXING THERETO CERTAIN TERRITORY TO BE KNOWN AS ANNEXATION AREA NO. 195.

Mr. Froke said this is the final de-annexation request tonight for a parcel of 1.36 acres. He said this is immediately adjacent to the Aspera development and the city of Peoria would work to place the appropriate zoning on the property. Staff recommends the property be de-annexed to allow Peoria to complete their multi-use trail system. Once this ordinance is adopted, the Glendale action is completed.

Councilmember Sherwood commented it looks like Glendale gained 4.34 acres on this deal and said good job.

Mr. Froke said they would be back with more requests in the future along New River.

Mayor Weiers conducted a public hearing on this item. There were no speakers for this item.

Ms. Hanna read the ordinance by number and title.

A motion was made by Councilmember Sherwood, seconded by Vice Mayor Knaack, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

ORDINANCES

29. 14-347 DEEDS AND EASEMENTS ORDINANCE
Staff Contact: Pamela Hanna, City Clerk

ORDINANCE NO. 2913 NEW SERIES, WAS READ BY NUMBER AND TITLE ONLY, IT BEING AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA ACCEPTING DEEDS AND EASEMENTS FOR PROPERTY CONVEYED TO THE CITY OF GLENDALE.

Ms. Hanna presented the item.

Mayor Weiers said there were no questions or speaker cards.

Ms. Hanna read the ordinance by number and title.

A motion was made by Councilmember Hugh, seconded by Councilmember Chavira, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

30. 14-305 ADOPT AN ORDINANCE TO ABANDON A PUBLIC WATERLINE EASEMENT AT MIDWESTERN UNIVERSITY
Staff Contact: Jack Friedline, Director, Public Works

ORDINANCE NO. 2914 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 ABANDONMENT OF A FORMER WATERLINE EASEMENT APPROXIMATELY 300 FEET EAST OF BEHREND DRIVE IN THE 58TH AVENUE ALIGNMENT TO THE OWNER OF RECORD OF THE ABUTTING PROPERTY ON THE MIDWESTERN UNIVERSITY CAMPUS; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

Jack Friedline said this was a request for authorization to abandon a public waterline easement at Midwestern University. He said the waterline is not in service and was removed during the construction of the University's new veterinary and housing buildings. He said the city has no need to retain the easement.

Mayor Weiers said there were no questions or speaker cards.

Ms. Hanna read the ordinance by number and title.

A motion was made by Councilmember Martinez, seconded by Councilmember Hugh, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

31. 14-364 ADOPT AN ORDINANCE TO ABANDON AN EMERGENCY VEHICLE ACCESS EASEMENT AT THE CENTER AT ARROWHEAD
Staff Contact: Jack Friedline, Director, Public Works

ORDINANCE NO. 2915 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 ABANDONMENT OF AN EMERGENCY VEHICLE ACCESS EASEMENT LOCATED AT 7200 WEST BELL ROAD TO THE OWNER OF RECORD OF THE ABUTTING, DOMINANT PROPERTY, PHOENIX SNF REAL ESTATE I, LLC; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

Mr. Friedline said this was a request to abandon an emergency vehicle easement at 7201 West Camino San Xavier. He said the easement was dedicated to the city, and even though Council took no action, the city intends to abandon any interest it may have in this easement as it has been determined it has no value to the city.

Mayor Weiers said there were no questions or speaker cards.

Ms. Hanna read the ordinance by number and title.

A motion was made by Councilmember Sherwood, seconded by Vice Mayor Knaack, that this agenda item be approved. The motion carried by the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

Vice Mayor Knaack made a motion, seconded by Councilmember Hugh, to vacate the city council workshop scheduled for Tuesday, November 4, 2014 at 1:30 p.m. due to the general election, and moved to vacate the regularly scheduled city council voting meeting on Tuesday, November 11, 2014, at 6:00 p.m. due to the city's scheduled veteran's day holiday, and moved to vacate the city council workshop scheduled for Tuesday, November 18, 2014, at 1:30 p.m. due to the National League of Congressional Cities Conference and moved to vacate the next regularly scheduled city council voting meeting on Tuesday, November 25, 2014, at 6:00 p.m., and call for a special voting meeting on Monday, November 24, 2014 at 6:00 p.m. in council chamber. The motion passed on the following vote:

Aye: 7 - Mayor Weiers, Vice Mayor Knaack, Councilmember Alvarez, Councilmember Chavira, Councilmember Hugh, Councilmember Martinez, and Councilmember Sherwood

CITIZEN COMMENTS

Robin Berryhill, an Ocotillo resident, said she received a partial reply to her citizen's request from Councilmember Sherwood. She appreciated his response and said the response shouldn't have come from Councilmember Sherwood. She said there was no direction from Mayor Weiers or the Councilmembers regarding her request. She contacted Councilmember Alvarez and she indicated there was an email, but she could not share it due to a nondisclosure item at the bottom of the email. She said the assistant city manager language has been amended a couple of times. She brought forth several issues regarding the response to her citizen request. She said the Charter

needed to be updated and Council should follow the Charter. She reminded everyone about the date and time of the next Water Services Advisory Board meeting.

William Demski, a Sahuaro resident, spoke about what has happened to the city has happened over the last 20 years. He spoke about the agreements the city has entered into in the past. He also discussed the salaries of several city employees. He spoke about the city's sales tax and citizens' hard earned tax dollars. He said the whole city structure should be torn down and restructured

Arthur Thruston, a Cactus resident, congratulated Ed Sharpe on his award this evening. He thanked Councilmember Hugh and Councilmember Alvarez for parties for their districts so citizens understand what is going on in their districts. He asked everyone to come and enjoy these events and the council meetings. He commended Ms. Hanna and her staff for the work they do. He said it was a great city because of the staff. He spoke about Sgt. Coombs who confronted him at the last council meeting about making an employee fearful. He said Councilmember Hugh and Councilmember Alvarez would speak on his behalf about the unprofessional conduct by Sgt. Coombs. He apologized for his conduct that may have offended anyone.

Randy Miller, a Barrel resident, related a story about Councilmember Hugh and how he helped a citizen who had a flood in her residence many years ago. He wanted to thank Councilmember Hugh for doing that.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Sherwood reminded everyone that GAIN night is coming up this weekend.

Councilmember Hugh thanked Mr. Miller for his kind words.

Vice Mayor Knaack said Glendale is proud to announce it has been accredited and nationally recognized for its park facilities and recreation programs. She said the distinguished Commission for Park and Recreation Agencies, CAPRA, re-accreditation was awarded during the 2014 National Recreation and Park Association Congress and Expo adding Glendale to the exclusive list of elite parks and recreation departments across the country. CAPRA accreditation is the only accreditation for park and recreation agencies and is a measure of an agencies overall quality, operation, management and service to the community. This mark of distinction indicates that the City of Glendale has met rigorous standards related to the management and administration of lands, facilities, resources, programs, safety and services. A CAPRA accreditation is a quality assurance and improvement process demonstrating the city's commitment to its employees, residents, visitors and community. Glendale joins Mesa, Peoria, Scottsdale and Tucson as the only Arizona cities to receive this accreditation. As part of this accreditation process, the City of Glendale's Park and Recreation and Neighborhood Services Division had to demonstrate compliance with 144 standards. The CAPRA accreditation is a five year cycle and includes a self-assessment report, on site visitation and the commission's review and decisions. Vice Mayor Knaack said that says it all about the quality of the city, its employees and its parks and recreation division.

Mayor Weiers said Saturday he judged a Miss North Phoenix contest and he was glad he did it, even though he was sick. He said the city does have a Miss Glendale now.

ADJOURNMENT

The meeting was adjourned at 7:22 p.m.

File #: 14-442, **Version:** 1

APPROVE CORRECTED BOARDS AND COMMISSIONS APPOINTMENTS
Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

Purpose and Recommended Action

This is a request for City Council to approve the below ending term dates, which were listed incorrectly at the October 28, 2014 Council meeting.

Judicial Selection Advisory Board - Update Ending Term Date

Terrance Mead - Chair	AZ State Bar	Reappointment	10/28/2014	11/29/2014
Randall Warner - Vice Chair	Presiding Judge Of Superior Court	Reappointment	10/28/2014	11/29/2014

File #: 14-415, **Version:** 1

PROCLAMATION RECOGNIZING THE ACCOMPLISHMENTS OF GLENDALE UNION HIGH SCHOOL DISTRICT
Staff Contact: Office of the Mayor
Presented By: Office of the Mayor
Accepted By: Superintendent Eugene Dudo and Glendale Union High School Board members

Purpose and Recommended Action

This is a request for City Council to recognize Glendale Union High School District and acknowledge their successes regarding student achievement.

Superintendent Eugene Dudo and Glendale Union High School Board members will be present to accept the proclamation.

Background

Founded in 1911, Glendale Union High School District services the cities of Glendale and Phoenix and encompasses 60 square miles. Nine high schools (serving grades 9-12) make up the district, which has a total enrollment of 15,000 students. The Arizona Department of Education has rated the district as an "A" district.

All nine schools in the district are ranked among the best high schools in the nation by the *U.S. News and World Report* and are part of the College Board's 2013 National Advanced Placement District of the Year. Glendale Union High School District has also been ranked #1 in the state in student growth.

Community Benefit/Public Involvement

Recognizing the successes of Glendale Union High School District benefits the city and the community as it demonstrates Glendale's commitment towards recognizing and celebrating individuals and organizations that are successfully making a positive difference in our community.

File #: 14-422, **Version:** 1

AWARD PRESENTATION OF PARKS AND RECREATION AGENCY ACCREDITATION

Staff Contact: Erik Strunk, Director, Community Services

Presenter: John Krystek, Chairman of the Parks and Recreation Advisory Commission

Purpose and Recommended Action

This is a request for City Council to receive recognition regarding the national accreditation of the Glendale Parks and Recreation Division by the Commission for Accreditation of Park and Recreation Agencies. In addition to Parks and Recreation division staff, John Krystek, Chairman of the Parks and Recreation Advisory Commission, will present this prestigious award to the City Council.

Background

The Glendale Parks and Recreation Division first earned accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA) in 2009. This honor was granted to the City of Glendale after months of preparation and review, and the accreditation was good for a five-year period. Because Glendale continually seeks to be a best practice city with excellent customer service in all of its endeavors, a decision was made to seek renewal of its accreditation status for parks and recreation for an additional five years. The renewal was awarded to the City in October 2014.

The CAPRA accreditation is the only national accreditation for park and recreation agencies, and is a measure of an agency's overall quality of operation. It is overseen and sponsored by the National Recreation and Park Association (NRPA).

This mark of distinction indicates that an agency has met rigorous standards and demonstrates compliance with 144 recognized practices. The Parks and Recreation Division met all 144 recognized standards and scored a 100% on its accreditation efforts.

Glendale is now among one of 135 elite park and recreation agencies and departments across the country and internationally to have accomplished this effort.

The Parks and Recreation Division staff and the Parks and Recreation Commission would like to present this special recognition to the City Council and thank the greater Glendale community for its support of the Parks and Recreation Division.

Legislation Description

File #: 14-385, **Version:** 1

APPROVE SPECIAL EVENT LIQUOR LICENSE, ARIZONA SPORTS FOUNDATION
Staff Contact: Susan Matousek, Revenue Administrator

Purpose and Recommended Action

This is a request for City Council to approve two special event liquor licenses for the Arizona Sports Foundation, submitted by Ashley J. Likens. These events will be held at the University of Phoenix Stadium located at 1 North Cardinals Drive on Wednesday, December 31, 2014. The Fiesta Fan Fest will be held on the Great Lawn from 8:30 a.m. to 1:30 p.m. and the APS Stadium Club event will be held on Lawn B from 10:30 a.m. to 1:30 p.m.

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

Background Summary

The Stadium is zoned PAD (Planned Area Development) and located in the Yucca District. If these applications are approved, the total number of days expended by this applicant will be two of the allowed 12 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 Development Services, Police, and Fire Departments have reviewed these applications and determined that they meet all technical requirements.

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix AZ 85007-2934
www.azliquor.gov
(602) 542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee= $25.00 per day for 1-10 days (consecutive)

A service fee of $25.00 will be charged for all dishonored checks (A.R.S. §44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Arizona Sports Foundation

SECTION 2 Non-Profit/IRS Tax Exempt Number: [redacted]

SECTION 3 The organization is a: (check one box only)

☒ Charitable (501.C) ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☐ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises?

☐ Yes ☒ No

Name of Business	License Number	Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: University of Phoenix Stadium - The Great Lawn
Address of Location: 1 West Cardinals Drive (Street) Glendale (City) AZ (County/State) 85305 (Zip)

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Likens (Last) Ashley (First) J (Middle) [redacted] (Date of Birth)
2. Applicant's mailing address: 7135 E. Camelback Rd. #190 (Street) Scottsdale (City) AZ (State) 85251 (Zip)
3. Applicant's home/cell phone: [redacted] Applicant's business phone: (480) 517-6266
4. Applicant's email address: alikens@fiestabowl.org

Individuals requiring ADA accommodations call (602)542-9027.

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
☐Yes ☒No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 0
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. 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.)

4. 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 liquor sales. Attach an additional page if necessary.

Name Arizona Sports Foundation Percentage 100%
Address 7135 E. Camelback Rd ste. 190 Scottsdale AZ 85251
Street City State Zip

Name _____ Percentage _____
Address _____
Street City State Zip

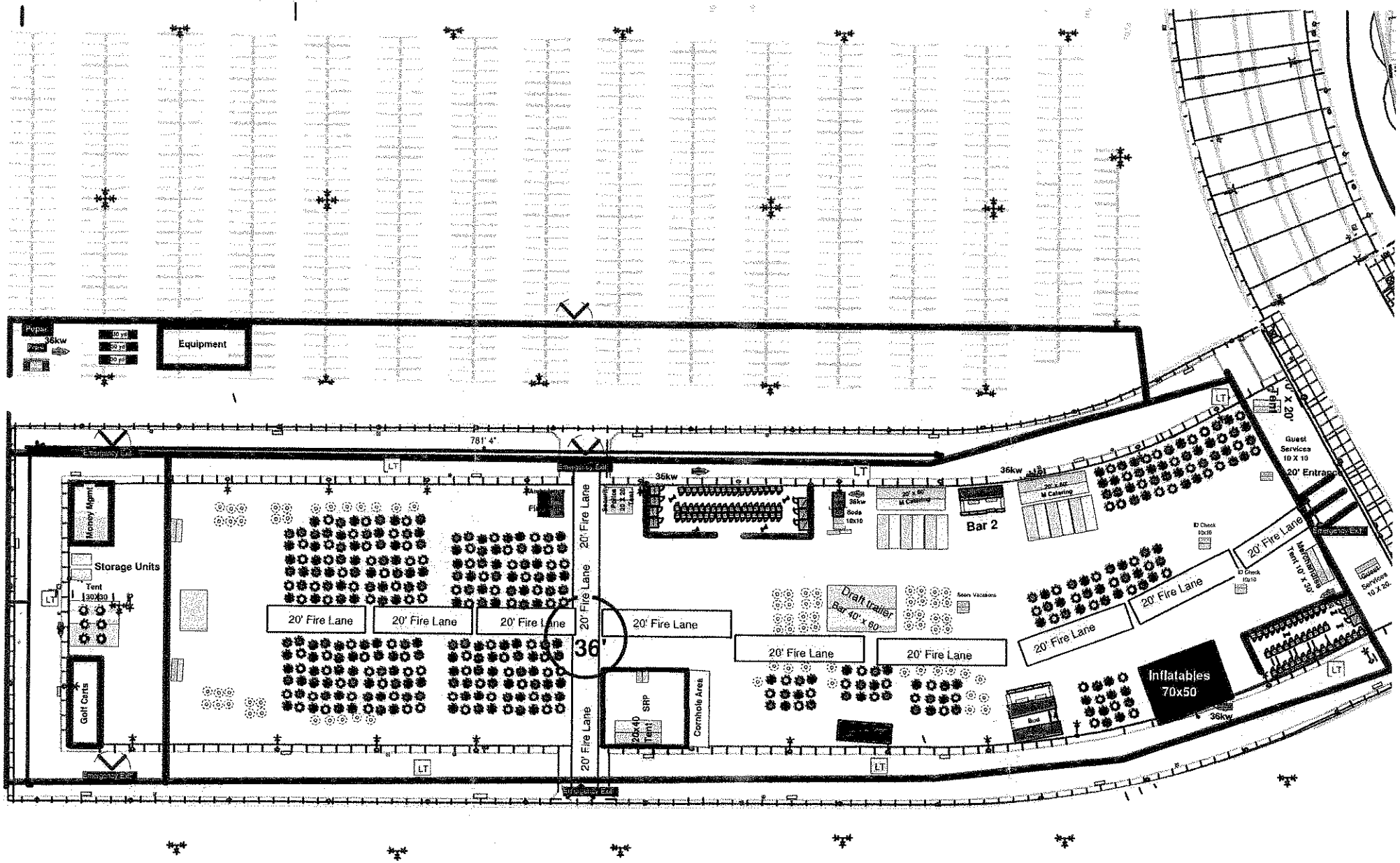
5. Please read A.R.S. §4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.
Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

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

15 Number of Police 80-100 Number of Security Personnel ☒Fencing ☒Barriers
Explanation: Chain link fence around perimeter of the event. Will use bike barricade in front of entrance.

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.
See A.R.S. §4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	12-31-2014	Wednesday	8:30 AM	1:30 PM
DAY 2:				
DAY 3:				
DAY 4:				
DAY 5:				
DAY 6:				
DAY 7:				
DAY 8:				
DAY 9:				
DAY 10:				



Fiesta FanFest
FanFest - December 31, 2014 8:30 a.m. to 1:30 p.m.
Great Lawn
Draft date 10/9/14

SECTION 13 This section is to be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, Tracy Guerra (Print full name) declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event Liquor License.

480-517-6283

x Tracy Guerra (Signature) | Director of Game/Event Operations (Title/Position) | 10/10/14 (Date) | (Phone #)

The foregoing instrument was acknowledged before me this 10th (Day) October (Month) 2014 (Year)

State Arizona County of Maricopa

GAIL AVISAR
Notary Public - Arizona
Maricopa County
My Commission Expires
JANUARY 5, 2016

My Commission Expires on: 01/05/16 (Date) gail avisar (Signature of Notary Public)

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, Ashley Livens (Print full name) declare that I am the APPLICANT filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

x Ashley Livens (Signature) | Events Manager (Title/ Position) | 10/9/14 (Date) | 480.517.6283 (Phone #)

The foregoing instrument was acknowledged before me this 9th (Day) October (Month) 2014 (Year)

State Arizona County of Maricopa

GAIL AVISAR
Notary Public - Arizona
Maricopa County
My Commission Expires
JANUARY 5, 2016

My Commission Expires on: 01/05/16 (Date) gail avisar (Signature of Notary Public)

The local governing body may require additional applications to be completed and submitted. Please check with local government as to how far in advance they require these applications to be submitted. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ (government official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

on behalf of _____ (City, Town, County), _____ Signature, _____ Date, _____ Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____

Individuals requiring ADA accommodations call (602)542-9027.

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix AZ 85007-2934
www.azliquor.gov
(602) 542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

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

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.
The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Arizona Sports Foundation

SECTION 2 Non-Profit/IRS Tax Exempt Number: [redacted]

SECTION 3 The organization is a: (check one box only)
☒ Charitable (501.C) ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)
☐ Religious ☐ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises?
☐ Yes ☒ No

Name of Business	License Number	Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

☐ Place license in non-use
☐ Dispense and serve all spirituous liquors under retailer's license
☒ Dispense and serve all spirituous liquors under special event
☐ Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? ☒ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: University of Phoenix Stadium – Lawn 13
Address of Location: 1 West Cardinals Drive (Street) Glendale (City) AZ (County/State) 85305 (Zip)

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ☒ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Likens (Last) Ashley (First) J (Middle) [redacted] (Date of Birth)
2. Applicant's mailing address: 7135 E. Camelback Rd Ste 190 (Street) Scottsdale (City) AZ (State) 85251 (Zip)
3. Applicant's home/cell phone: [redacted] Applicant's business phone: (480) 517-6266
4. Applicant's email address: alikens@fiestabowl.org

Individuals requiring ADA accommodations call (602)542-9027.

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
☐Yes ☒No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 0
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. 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.)

4. 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 liquor sales. Attach an additional page if necessary.

Name Arizona Sports Foundation Percentage 100%
Address 7135 E. Camelback Rd. Ste. 190 Scottsdale AZ 85251
Street City State Zip

Name _____ Percentage _____
Address _____
Street City State Zip

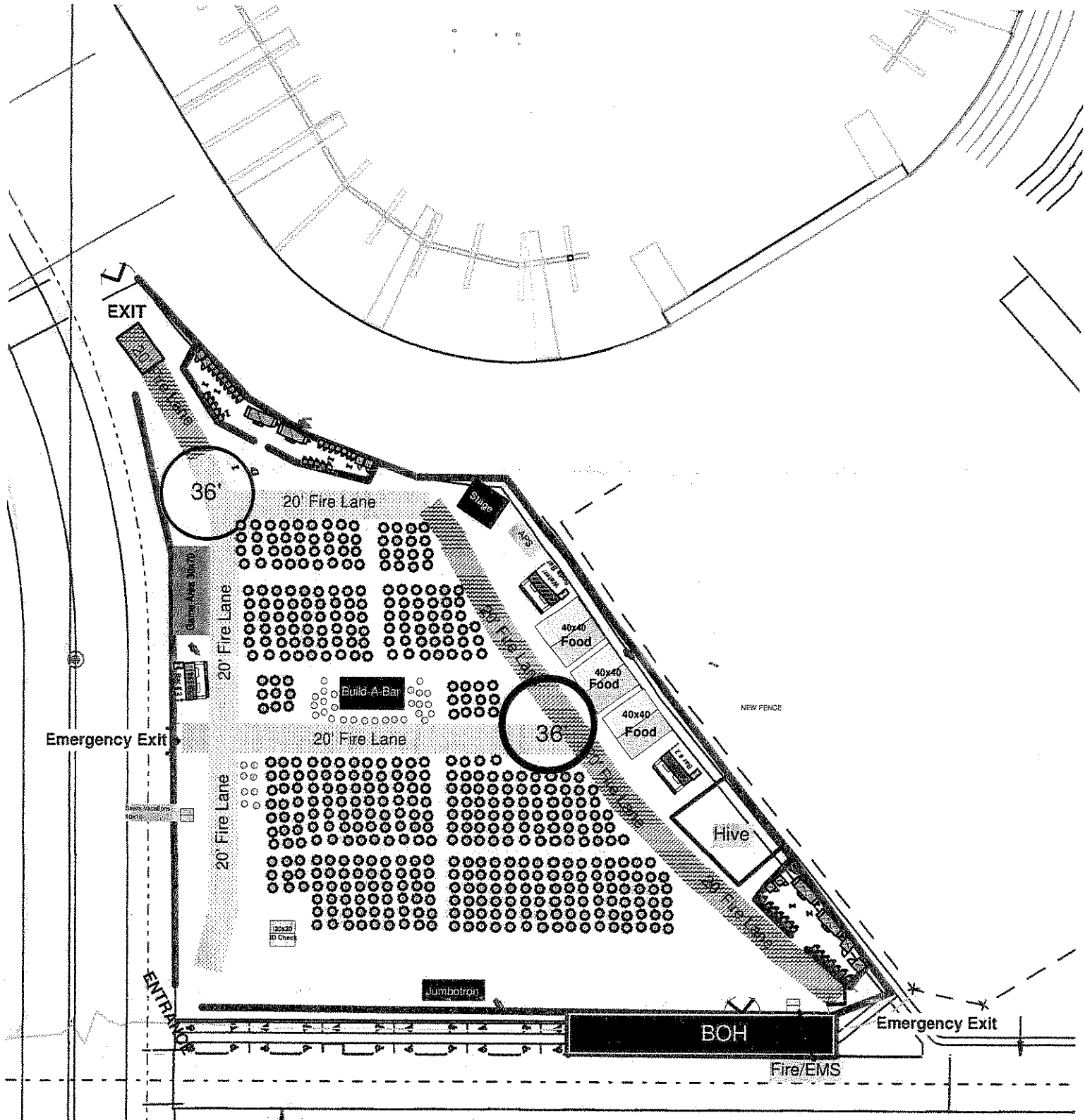
5. Please read A.R.S. §4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.
Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

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

15 Number of Police 80-100 Number of Security Personnel ☒Fencing ☒Barriers
Explanation: Chain link fence around perimeter of the event. Will use bike barricade in front of entrance.

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.
See A.R.S. §4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	12-31-2014	Wednesday	10:30 AM	1:30 pm
DAY 2:				
DAY 3:				
DAY 4:				
DAY 5:				
DAY 6:				
DAY 7:				
DAY 8:				
DAY 9:				
DAY 10:				



APS Stadium Club
Lawn B 10:30 AM - 1:30 PM
Draft Date 10/07/14

SECTION 13 This section is to be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, Tracy Guerra (Print full name) declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event Liquor License.

480-517-

x Tracy Guerra (Signature) Director of Gaming Event Operations (Title/ Position) 10/10/14 (Date) 6283 (Phone #)

The foregoing instrument was acknowledged before me this 10th (Day) October (Month) 2014 (Year)

State Arizona County of Maricopa

GAIL AVISAR
Notary Public - Arizona
Maricopa County
My Commission Expires
JANUARY 5, 2016

My Commission Expires on: 01/05/16 (Date) Gail Avisar (Signature of Notary Public)

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, Ashley Likens (Print full name) declare that I am the APPLICANT filing this application as listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

x Ashley Likens (Signature) Event Manager (Title/ Position) 10/9/14 (Date) 480.517.6266 (Phone #)

The foregoing instrument was acknowledged before me this 9th (Day) October (Month) 2014 (Year)

State Arizona County of Maricopa

GAIL AVISAR
Notary Public - Arizona
Maricopa County
My Commission Expires
JANUARY 5, 2016

My Commission Expires on: 01/05/16 (Date) Gail Avisar (Signature of Notary Public)

The local governing body may require additional applications to be completed and submitted. Please check with local government as to how far in advance they require these applications to be submitted. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ (government official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

on behalf of _____ (City, Town, County), _____ (Signature), _____ (Date), _____ (Phone)

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____

Individuals requiring ADA accommodations call (602)542-9027.

14-160

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **10-23-14**

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: **Arizona Sports Foundation**

Business Address: **1 Cardinals Drive**

Applicant/s Information

Name: **Likens, Ashley J.**

Name:

Name:

Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 10/23/2013	Other Suites	New ownership call history beginning:
Liquor Related	7		
Vice Related			
Drug Related	3		
Fights / Assaults	35		
Robberies			
Burglary / Theft	23		
911 calls			
Trespassing	8		
Accidents	7		
Fraud / Forgery	5		
Threats	1		
Criminal damage	2		
Other non-criminal*	34		
Other criminal	20		
Total calls for service	**145**	**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 Arizona Sports Foundation.

Event is scheduled for 12-31-14 (Wed) Fiesta Fan Fest - Great Lawn.

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		
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	Debra Black	10-23-14

14-158

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **10-23-14**

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: **Arizona Sports Foundation**

Business Address: **1 Cardinals Drive**

Applicant/s Information

Name: **Likens, Ashley J.**

Name:

Name:

Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 10/23/2013	Other Suites	New ownership call history beginning:
Liquor Related	7		
Vice Related			
Drug Related	3		
Fights / Assaults	35		
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Threats	1		
Criminal damage	2		
Other non-criminal*	34		
Other criminal	20		
Total calls for service	**145**	**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 Arizona Sports Foundation.

Event is scheduled for 12-31-14 (Wed) APS Stadium Club - Lawn B.

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		
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	Debra Black	10-23-14

Legislation Description

File #: 14-387, **Version:** 1

APPROVE SPECIAL EVENT LIQUOR LICENSE, LUMP BUSTERS
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 Lump Busters, submitted by Terri Dee Gall. The event will be held at Westgate in Parking Lot R located at 6751 North Sunset Boulevard on Saturday, January 31 and Sunday, February 1, 2015 from 11:30 a.m. to 11:30 p.m. The purpose of this special event liquor license is for the PrimeSport Super Bowl Tailgate Party.

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

Background Summary

Westgate is zoned PAD (Planned Area Development) and located in the Yucca District. If this application is approved, the total number of days expended by this applicant will be two of the allowed 12 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 Development Services, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

FOR DLLC USE ONLY
Event date(s):
Event time start/end:

Arizona Department of Liquor Licenses and Control
800 W Washington 5th Floor
Phoenix AZ 85007-2934
www.azliquor.gov
(602) 542-5141

APPLICATION FOR SPECIAL EVENT LICENSE

Fee= $25.00 per day for 1-10 days (consecutive)

A service fee of $25.00 will be charged for all dishonored checks (A.R.S. §44-6852)

IMPORTANT INFORMATION: This document must be fully completed or it will be returned.

The Department of Liquor Licenses and Control must receive this application ten (10) business days prior to the event. If the special event will be held at a location without a permanent liquor license or if the event will be on any portion of a location that is not covered by the existing liquor license, this application must be approved by the local government before submission to the Department of Liquor Licenses and Control (see Section 15).

SECTION 1 Name of Organization: Lump Busters

SECTION 2 Non-Profit/IRS Tax Exempt Number: [redacted]

SECTION 3 The organization is a: (check one box only)

■ Charitable (501.C) ☐ Fraternal (must have regular membership and have been in existence for over five (5) years)

☐ Religious ☐ Civic (Rotary, College Scholarship) ☐ Political Party, Ballot Measure or Campaign Committee

SECTION 4 Will this event be held on a currently licensed premise and within the already approved premises?

☐ Yes ■ No

Name of Business	License Number	Phone (include Area Code)

SECTION 5 How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

☐ Place license in non-use

☐ Dispense and serve all spirituous liquors under retailer's license

■ Dispense and serve all spirituous liquors under special event

☐ Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

SECTION 6 What is the purpose of this event? ■ On-site consumption ☐ Off-site (auction) ☐ Both

SECTION 7 Location of the Event: Westgate Lot R

Address of Location: 6751 N Sunset Blvd (Street) | Glendale (City) | Maricopa/ AZ (County/State) | 85305 (Zip)

SECTION 8 Will this be stacked with a wine festival/craft distiller festival? ☐ Yes ■ No

SECTION 9 Applicant must be a member of the qualifying organization and authorized by an Officer, Director or Chairperson of the Organization named in Section 1. (Authorizing signature is required in Section 13.)

1. Applicant: Gall (Last) | Terri (First) | Dee (Middle) | [redacted] (Date of Birth)

2. Applicant's mailing address: 3640 West Grandview Rd (Street) | Phoenix (City) | AZ (State) | 85053 (Zip)

3. Applicant's home/cell phone: [redacted] Applicant's business phone: (___) _____

4. Applicant's email address: lumpbusters@gmail.com

SECTION 10

1. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
☐ Yes ■ No (If yes, attach explanation.)

2. How many special event licenses have been issued to this location this year? 0
(The number cannot exceed 12 events per year; exceptions under A.R.S. §4-203.02(D).)

3. 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.)

4. 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 liquor sales. Attach an additional page if necessary.

Name	Lump Busters		Percentage	25%
Address	3640 W Grandview Rd (Street)	Phoenix (City)	AZ (State)	85053 (Zip)
Name	Arizona Cardinals Football Club		Percentage	47%
Address	8701 S. Hardy Drive (Street)	Tempe (City)	AZ (State)	85284 (Zip)

5. Please read A.R.S. §4-203.02 Special event license; rules and R19-1-205 Requirements for a Special Event License.
Note: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT UNLESS THEY ARE IN AUCTION SEALED CONTAINERS OR THE SPECIAL EVENT LICENSE IS STACKED WITH WINE /CRAFT DISTILLERY FESTIVAL LICENSE"

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

3 Number of Police 7 Number of Security Personnel ■ Fencing ■ Barriers

Explanation: PrimeSport Super Bowl Tailgate Party. Area will be fenced in by 8' chain link. Area will be monitored by security personnel, off duty police and a Rojo alcohol compliance team.

SECTION 11 Date(s) and Hours of Event. May not exceed 10 consecutive days.
See A.R.S. §4-244(15) and (17) for legal hours of service.

	Date	Day of Week	Event Start Time AM/PM	License End Time AM/PM
DAY 1:	1/31/2015	Saturday	11:30 am	11:30 pm
DAY 2:	2/01/2015	Sunday	11:30 am	11:30 pm
DAY 3:				
DAY 4:				
DAY 5:				
DAY 6:				
DAY 7:				
DAY 8:				
DAY 9:				
DAY 10:				

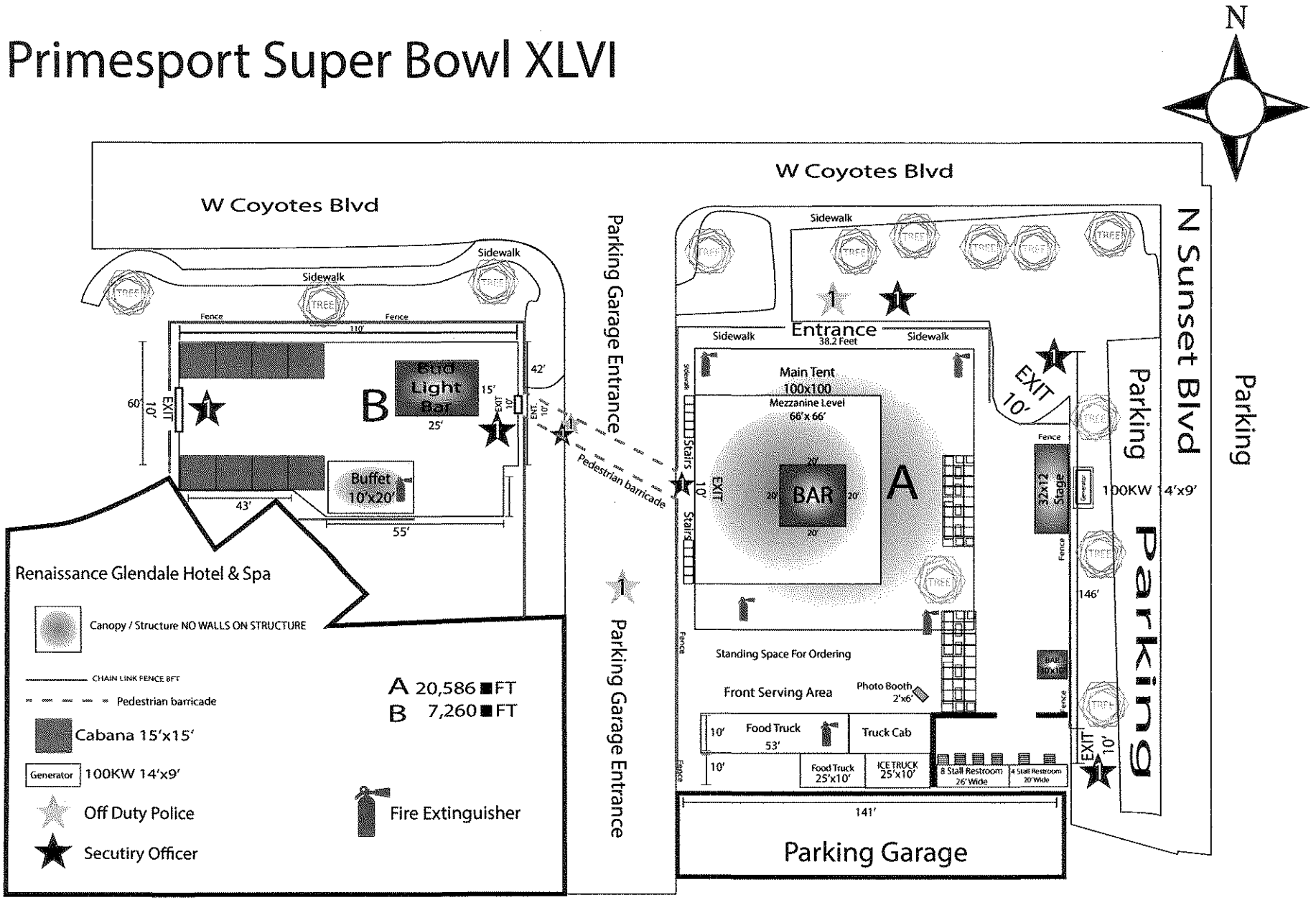
Section 10

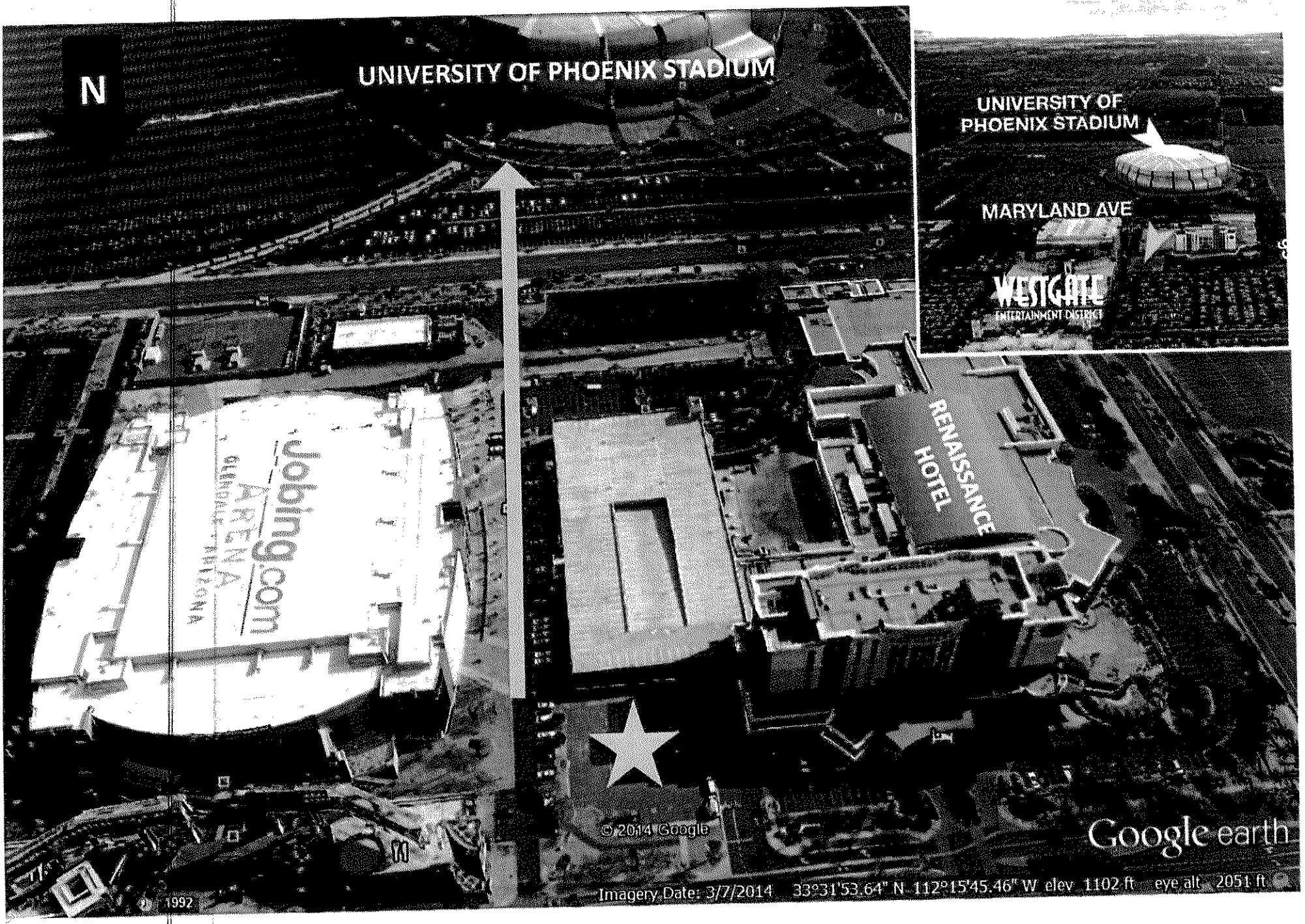
4. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds. The organization applying must receive 25% of the gross revenues of the special event liquor sales. Attach an additional page if necessary.

Name Rojo Hospitality Group Percentage 28%

Address 1 Cardinals Drive Glendale, AZ 85305

Primesport Super Bowl XLVI




N
UNIVERSITY OF PHOENIX STADIUM
UNIVERSITY OF PHOENIX STADIUM
MARYLAND AVE
WESTGATE
ENTERTAINMENT DISTRICT
RENAISSANCE HOTEL
jobing.com ARENA
© 2014 Google
Google earth
1992
Imagery Date: 3/7/2014 33°31'53.64" N 112°15'45.46" W elev 1102 ft eye alt 2051 ft

SECTION 13 This section is to be completed only by an Officer, Director or Chairperson of the organization named in Section 1.

I, Terri Dee Gall declare that I am an OFFICER, DIRECTOR, or CHAIRPERSON
(Print full name)

appointing the applicant listed in Section 9, to apply on behalf of the foregoing organization for a Special Event Liquor License.

X (Signature)	Title/ Position	Date	Phone #
Terri D. Gall	Founder	10-21-14	602 6708484

The foregoing instrument was acknowledged before me this 21st Day of Oct Month 2014 Year

State Arizona County of Maricopa

Notary Public State of Arizona
Maricopa County
Charlene E Liegner
My Commission Expires 01/08/2015

My Commission Expires on: 01.08.2015 Date

Charlene E. Liegner Signature of Notary Public

SECTION 14 This section is to be completed only by the applicant named in Section 9.

I, Terri Dee Gall declare that I am the APPLICANT filing this application as
(Print full name)

listed in Section 9. I have read the application and the contents and all statements are true, correct and complete.

X (Signature)	Title/ Position	Date	Phone #
Terri D Gall	Founder	10.21.14	602 670-8484

The foregoing instrument was acknowledged before me this 14th Day of Oct Month 2014 Year

State Arizona County of Maricopa

Notary Public State of Arizona
Maricopa County
Charlene E Liegner
My Commission Expires 01/08/2015

My Commission Expires on: 01.08.2015 Date

Charlene E. Liegner Signature of Notary Public

The local governing body may require additional applications to be completed and submitted. Please check with local government as to how far in advance they require these applications to be submitted. Additional licensing fees may also be required before approval may be granted. For more information, please contact your local jurisdiction: http://www.azliquor.gov/assets/documents/homepage_docs/spec_event_links.pdf.

SECTION 15 Local Governing Body Approval Section

I, _____ (government official) _____ (Title) recommend ☐ APPROVAL ☐ DISAPPROVAL

on behalf of _____ (City, Town, County), _____ Signature, _____ Date, _____ Phone

FOR DEPARTMENT OF LIQUOR LICENSES AND CONTROL USE ONLY

☐ APPROVAL ☐ DISAPPROVAL BY: _____ DATE: _____

Individuals requiring ADA accommodations call (602)542-9027.

WESTGATE
ENTERTAINMENT DISTRICT

Ken Wilson
General Manager
Rojo Hospitality Group
One Cardinals Drive, Glendale, AZ 85305
(623) 433-7621

To Whom It May Concern:

Per our executed agreement with PrimeSport, we have rented our parking lot "R" within Westgate Entertainment District to PrimeSport as the site for their private Super Bowl Pre-Game Party. PrimeSport is partnering with Rojo Hospitality Group to provide food and alcohol catering for their exclusive Super Bowl Pre-Game Party. Both PrimeSport and Rojo Hospitality Group have our permission to set-up and serve on our Lot "R" property from the hours of 11:30am-11:30pm on Saturday, January 31, 2015 and Sunday, February 1, 2015.

If you have questions or need further verification, please feel free to reach out to me at (623) 385-7506 or eandrews@vestar.com.

Regards,

Emilie Andrews
Director of Marketing
Westgate Entertainment District / Vestar
6751 N. Sunset Blvd., Suite 333
Glendale, AZ 85305

14-161

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **10-23-14**

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: **Lump Busters**

Business Address: **3640 W. Grandview Rd. (Event at Westgate 6751 N. Sunset Blvd. Lot-R)**

Applicant/s Information

Name: **Gall, Terri Dee**

Name:

Name:

Name:

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 10/21/2013	Other Suites	New ownership call history beginning:
Liquor Related		4	
Vice Related			
Drug Related		1	
Fights / Assaults		18	
Robberies			
Burglary / Theft		21	
911 calls		1	
Trespassing		3	
Accidents		4	
Fraud / Forgery		4	
Threats			
Criminal damage		5	
Other non-criminal*		36	
Other criminal		1	
Total calls for service	**N/A**	**98**	**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 Lump Busters, Arizona Cardinals Football Club and Rojo Hospitality Group.

Event is scheduled for 01-31-15 (Sat) and 02-01-15 (Sun). PrimeSport Super Bowl Tailgate Party.

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.

Calls for Service are for all Suites that share the address.

Special Concerns:

None found

Background investigation complete:

Police Department recommendation has No Cause for Denial.

Approval is for Lot-R, Area-A of the submitted diagram.

		Date
Investigating Officer – M. Ervin		
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee		10-24-14

File #: 14-362, **Version:** 1

APPROVE LIQUOR LICENSE NO. 5-14745, OPA LIFE GREEK CAFE
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 Opa Life Greek Cafe located at 9404 West Westgate Boulevard, Suite C103. The Arizona Department of Liquor Licenses and Control application (No. 1207A041) was submitted by David Gary Gerovac.

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 Yucca District. The property is zoned PAD (Planned Area Development). The population density within a one-mile radius is 4,179. 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
03	Domestic Microbrewery	1
06	Bar - All Liquor	7
07	Bar - Beer and Wine	4
10	Liquor Store - Beer and Wine	2
11	Hotel/Motel	1
12	Restaurant	14
	Total	**29**

In accordance with A.R.S. § 4-201(G), except for a location that has been licensed within the last two years, the applicant bears the burden of showing City Council that the public convenience requires and 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 12 license, may take into consideration the location, as well as the applicant's capability, qualifications, and reliability.

The City of Glendale Development Services, 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, October 2 thru Ocotober 22, 2014**.**

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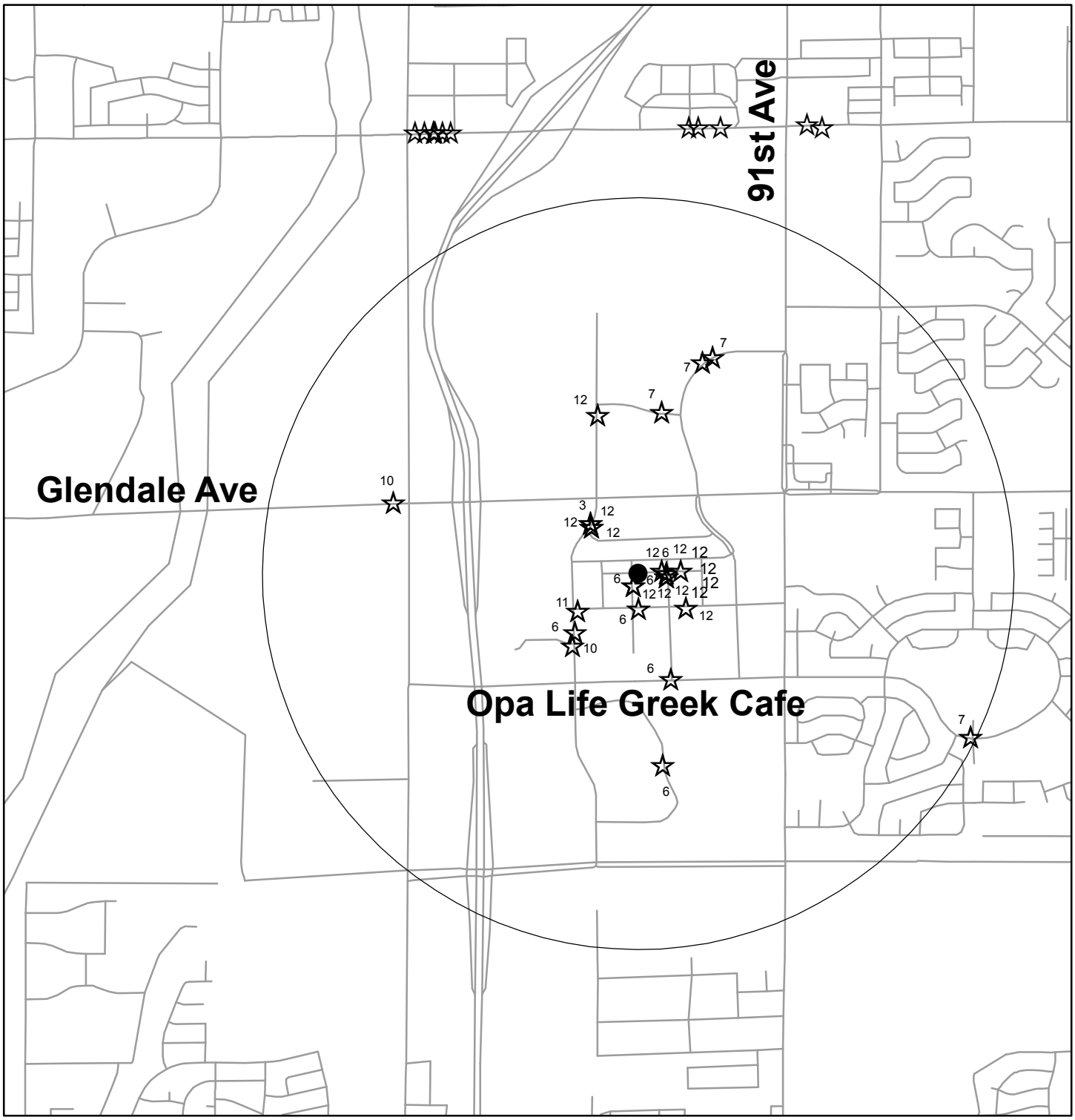

BUSINESS NAME: Opa Life Greek Cafe

LOCATION: 9404 W. Westgate Blvd. C103 **ZONING:** PAD

APPLICANT: David Gary Gerovac **APPLICATION NO:** 5-14745

SALES TAX AND LICENSE DIVISION
CITY OF GLENDALE, AZ

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14-148

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **10-08-14**

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: **Opa Life Greek Cafe**

Business Address: **9404 W. Westgate Blvd Ste-C103**

Applicant/s Information

Name: **Gerovac, David Gary**
Name: **Abiera, Salvador Briones**
Name: **Hegna, Laurie Sue**
Name: **Hegna, Thomas Daniel**

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 10/8/2009	Other Suites	New ownership call history beginning:
Liquor Related		1	
Vice Related			
Drug Related			
Fights / Assaults		5	
Robberies			
Burglary / Theft		9	
911 calls			
Trespassing		1	
Accidents			
Fraud / Forgery		1	
Threats			
Criminal damage			
Other non-criminal*		4	
Other criminal		2	
Total calls for service	0	23	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

Date: **10-08-14**

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: **Opa Life Greek Cafe**

Business Address: **9404 W. Westgate Blvd Ste-C103**

Applicant/s Information

Name: **Krier, Alan Edward**
Name:
Name:
Name:

Continuation of applicants.

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	10-31-14
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee		10-31-14

File #: 14-383, **Version:** 1

APPROVE LIQUOR LICENSE NO. 5-14663, FIRED PIE
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 Fired Pie located at 6800 North 95 th Avenue, Suite 870. The Arizona Department of Liquor Licenses and Control application (No. 1207A037) was submitted by Lori Ann Cuomo.

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 Yucca. The property is zoned PAD (Planned Area Development). The population density within a one-mile radius is 2,861. 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.

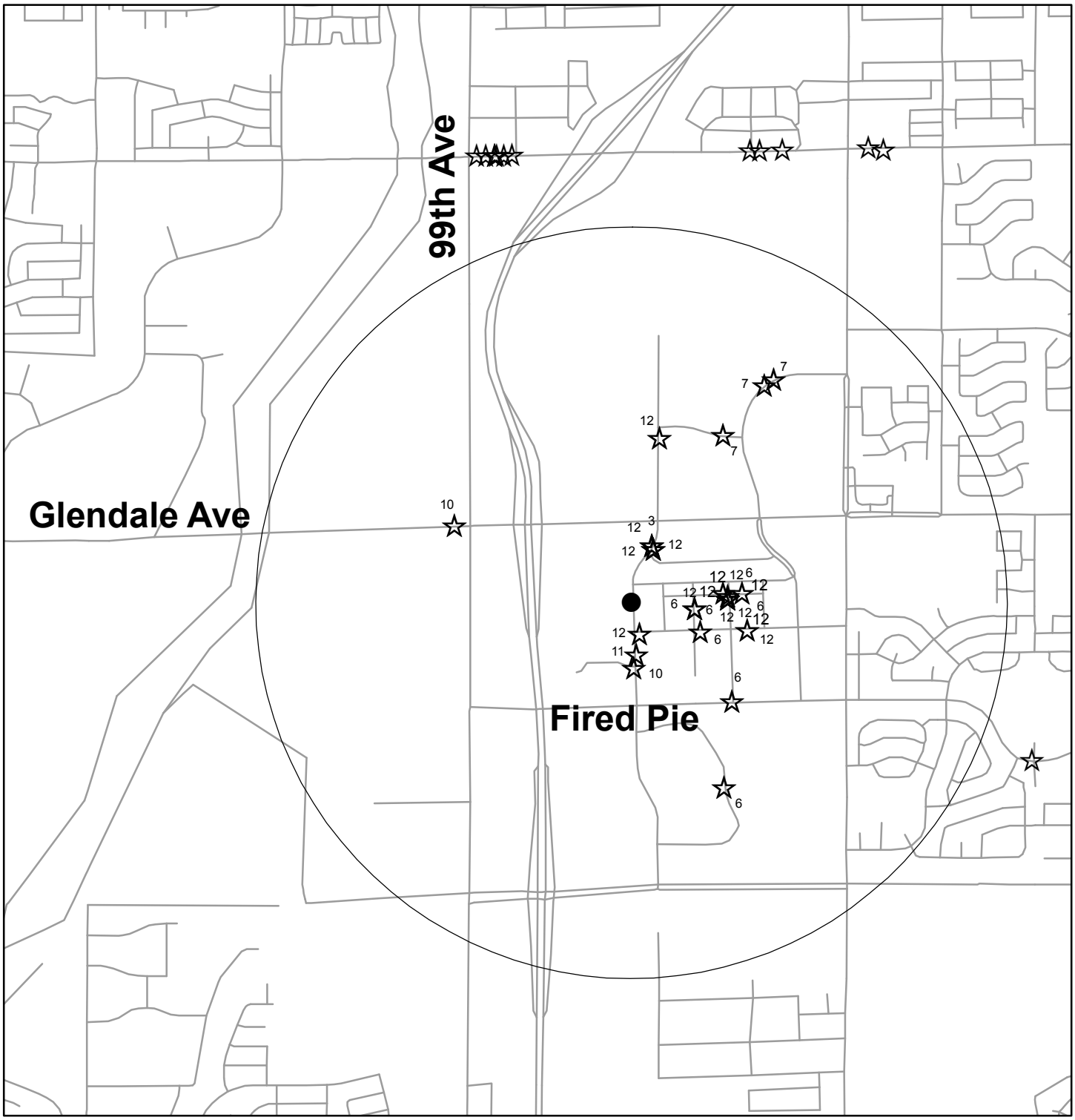
Series	Type	Quantity
03	Domestic Microbrewery	1
06	Bar - All Liquor	7
07	Bar - Beer and Wine	3
10	Liquor Store - Beer and Wine	2
11	Hotel/Motel	1
12	Restaurant	14
	Total	**28**

In accordance with A.R.S. § 4-201(G), except for a location that has been licensed within the last two years, the applicant bears the burden of showing City Council that the public convenience requires and 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 12 license, may take into consideration the location, as well as the applicant's capability, qualifications, and reliability.

The City of Glendale Development Services, 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, September 24 thru October 14, 2014**.**



BUSINESS NAME: Fired Pie

LOCATION: 6800 N. 95th Ave. Suite 870

ZONING: PAD

APPLICANT: Lori Ann Cuomo

APPLICATION NO: 5-14663

SALES TAX AND LICENSE DIVISION
CITY OF GLENDALE, AZ

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14-146

GLENDALE POLICE DEPARTMENT

Liquor Application Worksheet

Date: **09-30-14**

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: **Fired Pie**

Business Address: **6800 N. 95th Ave. Ste-870**

Applicant/s Information

Name: **Cuomo, Lori Ann (Agent)**
Name: **Cuomo, Enrico Giuseppe**
Name: **Morgan, Frederick**
Name: **Doyle, Douglas Martin**

Background investigation of applicant/s completed.

Calls for Service History:	Call history for location beginning: 9/30/2009	Other Suites	New ownership call history beginning:
Liquor Related		34	
Vice Related			
Drug Related			
Fights / Assaults		6	
Robberies		3	
Burglary / Theft	1	231	
911 calls		5	
Trespassing		8	
Accidents		31	
Fraud / Forgery		13	
Threats		8	
Criminal damage		7	
Other non-criminal*		165	
Other criminal		7	
Total calls for service	**1**	**518**	**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:

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	9-30-14
CID Lieutenant or Commander		
Deputy City Attorney		
Chief of Police or designee	R. St. John	10-8-14

File #: 14-367, **Version:** 1

AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH TERRA VERDE, LLC FOR SECURITY RELATED CONSULTING, EQUIPMENT, AND SERVICES UTILIZING A CITY OF AVONDALE COOPERATIVE CONTRACT
Staff Contact: Tom Duensing, Director, Finance and Technology

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a one year linking agreement and to approve up to four, one-year renewal options with Terra Verde, LLC, doing business as Terra Verde Services (TVS), for security related consulting, equipment and services in an amount not to exceed $44,000 for FY14-15 and $500,000 over the life of the agreement. This cooperative purchase is available through an agreement between the City of Avondale, Arizona and TVS and is effective through July 7, 2015 with up to four, one-year renewal options.

Background

This is a cooperative purchase contract which allows the City to acquire security services, equipment, and support from TVS. Services will be acquired on both a scheduled an as-needed basis to include, but not be limited to security consulting, security auditing, security monitoring and reporting including any appropriate equipment required for such services. The City currently has multiple contracts with TVS. This new contract consolidates those services into a single contract and expands upon available services to meet emerging needs. The current contracts will be terminated and replaced with this new contract upon Council approval. The services currently provided by Terra Verde include security auditing, consulting, and 24/7 monitoring services required by the Payment Card Industry (PCI) for organizations which take credit card payments.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Materials Management.

TVS was awarded their contract by the City of Avondale through a competitive bid process. The contract provides the best pricing available for security support services. Materials Management has reviewed and approved the utilization of the cooperative purchasing agreement from Avondale for the defined services. Materials Management concurs the cooperative purchase is in the best interest of the City.

Previous Related Council Action

City Council approved the award of RPF 10-31 in August of 2010 for a multi-year contract with Terra Verde, LLC for security services.

Budget and Financial Impacts

FY14-15 funding for scheduled services is provided below. As business need dictates, funding for additional projects and services will be determined at that time.

Cost	Fund-Department-Account
$44,000	1140-11530-522700, Technology Fund

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
TERRA VERDE, LLC d/b/a TERRA VERDE SERVICES

THIS LINKING AGREEMENT (this "Agreement") is entered into as of _____, 2014, between the City of Glendale, an Arizona municipal corporation (the "City"), and Terra Verde, LLC., an Arizona limited liability company doing business as Terra Verde Services ("Contractor"), collectively, the "Parties."

RECITALS

A. The City of Avondale on July 7, 2014 entered into a Purchase and Services Agreement with Contractor (the "Terra Verde Contract"), a copy of which is incorporated in this Agreement by this reference.

B. The City is permitted to purchase the goods and services described in the Terra Verde Contract without further public bidding, and the Terra Verde Contract 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 Terra Verde Agreement.

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 Terra Verde Contract, Contractor consents to the City's utilization of the Terra Verde Contract 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 by reference, and the covenants and promises contained in this Agreement, the parties agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first set forth above and shall expire on July 7, 2015 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. Prior to the expiration of the Initial Term, and prior to each Renewal Term (as defined below), this Agreement may be renewed for up to four successive one-year terms (each, a "Renewal Term")if (i) it is deemed in the best interests of the City, subject to availability and appropriation of funds for renewal in each subsequent year, (ii)

at least 30 days prior to the end of the then-current term of the Agreement, the Consultant requests, in writing, to extend the Agreement for an additional one-year term and (iii) the City Manager or his or her designee approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement and in conjunction with Paragraph 3 of this Agreement), as evidenced by the signature of the City Manager or his or her designee, which approval may be withheld by the City for any reason.

2. Scope of Work; Terms, Conditions, and Specifications.

a) Contractor will provide City the services Contractor provided the City of Avondale under the Terra Verde Contract.

b) Contractor agrees to comply with all the terms, conditions and specifications of the Terra Verde Contract for the purposes of this Agreement, and the terms, conditions, and specifications are incorporated in this Linking Agreement by this reference. The "City of Glendale" shall be substituted for "City of Avondale" or similar reference to the State of Arizona throughout the Terra Verde Contract.

3. Compensation.

a) The total purchase price for the goods and services authorized in this Agreement is not to exceed Five Hundred Thousand Dollars ($500,000.00) over the life of the Agreement.

4. Termination of Existing Agreement. The Parties agree that the Terra Verde Contract is the instrument by which Contractor will provide services to the City as of the execution of this Agreement. The Parties therefore jointly agree that the existing contracts C-7372 and C-7373 are terminated. Any services procured by City prior to the execution of this Agreement are governed by the existing contracts C-7372 and C-7373, but all new purchases are made pursuant to and governed by the Terra Verde Contract.

[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:_____

"**Contractor**"

Terra Verde, LLC,
an Arizona limited liability company

By:_____

Name: Edward Vasko

Title: CEO

PURCHASE AND SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
TERRA VERDE, LLC
d/b/a
TERRA VERDE SERVICES

THIS PURCHASE AND SERVICES AGREEMENT (this "Agreement") is entered into as of July 7, 2014, between the City of Avondale, an Arizona municipal corporation (the "City") and Terra Verde, LLC, an Arizona limited liability company, d/b/a Terra Verde Services (the "Consultant").

RECITALS

A. The City issued a Request for Proposals, IT 14-031 "Information Systems Security Assessment and Advanced Information Security Services" (the "RFP"), a copy of which is on file in the City's Finance Office and incorporated herein by reference, seeking proposals from vendors for information systems security assessment services (the "Services").

B. The Consultant responded to the RFP by submitting a proposal (the "Proposal"), attached hereto as Exhibit A and incorporated herein by reference, and the City desires to enter into an Agreement with the Consultant for the Services.

AGREEMENT

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

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until July 7, 2015 (the "Initial Term"), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up to four successive one-year terms (each, a "Renewal Term") if (i) it is deemed in the best interests of the City, subject to availability and appropriation of funds for renewal in each subsequent year, (ii) at least 30 days prior to the end of the then-current term of the Agreement, the Consultant requests, in writing, to extend the Agreement for an additional one-year term and (iii) the City approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the City Manager's signature thereon, which approval may be withheld by the City for any reason. The Consultant's failure to seek a renewal of this Agreement shall cause the Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the City may, at its discretion and with the agreement of the Consultant, elect to waive this requirement and renew this Agreement. The Initial Term and any Renewal Term(s) are collectively referred to herein as the "Term." Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. This is an indefinite quantity and indefinite delivery agreement for Services as described in the Scope of Work, attached hereto as Exhibit B and incorporated herein by reference. Services shall only be provided when the City identifies a need and proper authorization and documentation have been approved. For project(s) determined by the City to be appropriate for this Agreement, the Consultant shall provide the Services to the City on an as-required basis relating to the specific Services as may be agreed upon between the parties in writing, in the form of a written acknowledgment between the parties describing the Services to be provided (each, a "Task Order"). Each Task Order issued for Services pursuant to this Agreement shall be (i) in the form provided and approved by the City for the Services, (ii) contain a reference to this Agreement and (iii) be attached to hereto as Exhibit D and incorporated herein by reference. By signing this Agreement, Consultant acknowledges and agrees that Task Order(s) containing unauthorized exceptions, conditions, limitations, or provisions in conflict with the terms of this Agreement, other than City's project-specific requirements, are hereby expressly declared void and shall be of no force and effect. The City does not guarantee any minimum or maximum amount of Services will be requested under this Agreement.

3. Compensation. For the Initial Term and each subsequent Renewal Term, if any, the City shall pay Consultant an annual aggregate amount not to exceed $150,000.00 for the Services at the rates as set forth in the Fee Proposal, attached hereto as Exhibit C and incorporated herein by reference. The maximum aggregate amount for this Agreement shall not exceed $750,000.00.

4. Payments. The City shall pay the Consultant monthly, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the City pursuant to this Agreement shall be the property of the City.

6. Consultant Personnel. Consultant shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. Consultant agrees to assign specific individuals to key positions. If deemed qualified, the Consultant is encouraged to hire City residents to fill vacant positions at all levels. Consultant agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Consultant shall immediately notify the City of same and shall, subject to the concurrence of the City, replace such personnel with personnel possessing substantially equal ability and qualifications.

7. Information Technology.

7.1 Limited Access. If necessary for the fulfillment of the Agreement, City may provide Consultant with non-exclusive, limited access to the City's information technology infrastructure. Consultant understands and agrees to abide by all City policies, standards, regulations and restrictions regarding access and usage of City's information technology infrastructure. Consultant shall enforce all such policies, standards, regulations and restrictions with all Consultant's employees, agents or any tier of subcontractor granted access in the performance of this Agreement, and shall be granted and authorized only such access as may be necessary for the purpose of fulfilling the requirements of the Agreement. Consultant's employees, agents and subcontractors must receive prior, written approval from City before being granted access to the City's information and communication technology resources and data. The City, in its sole determination, shall determine accessibility and limitations thereto. Consultant agrees that the requirements of this Section shall be incorporated into all subcontractor/subconsultant agreements entered into by the Consultant. It is further agreed that a violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice.

7.2 Data Confidentiality. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to Consultant in connection with this Agreement is confidential, proprietary information owned by the City. Except as specifically provided in this Agreement, the Consultant shall not without the prior, written consent of the City Manager or authorized designee (i) disclose data generated in the performance of the Services to any third party or (ii) use City data and information.

7.3 Data Security. Personal identifying information, financial account information, or restricted City information, whether in electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, Consultant must encrypt and/or password-protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices. When City information, regardless of its format, is no longer required by the Consultant to execute the work contracted by the City, the information must be redacted or destroyed through appropriate and secure methods to ensure the information cannot be viewed, accessed or reconstructed.

7.4 Compromised Security. In the event that data collected or obtained by the Consultant in connection with this Agreement is believed to have been compromised, Consultant shall notify the City Manager, or authorized City designee, immediately. Consultant agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data by the Consultant and, where applicable, the cost of notifying and/or assisting individuals who may be impacted by the breach.

7.5 Cessation of Operation or Support. If Consultant ceases to operate, ends support of, or otherwise divests its interest in the software and materials for which it is contracted by the City and does not assign the obligation of the Services at reasonable cost as set forth in this Agreement, the Consultant shall provide the City a copy of current source code. The City agrees it shall only use the source code to support its use of the software.

7.6 Disengagement. In the event the contract is terminated by either party, Consultant agrees to confer back to the City all of its data, in usable and normalized format, within 30 days of notice of contract termination. There shall be no charge for the return of City data to the City.

7.7 Survival. The obligations of Consultant under this Section shall survive the termination of this Agreement.

8. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Consultant's performance. The Consultant shall provide and maintain a self-inspection system that is acceptable to the City.

9. Licenses; Materials. Consultant shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Consultant. The City has no obligation to provide Consultant, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The City has no obligation to provide tools, equipment or material to Consultant.

10. Performance Warranty. Consultant warrants that the Services rendered will conform to the requirements of this Agreement and to the highest professional standards in the field.

11. Indemnification. To the fullest extent permitted by law, the Consultant shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Consultant, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Consultant. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.

E. Primary Insurance. Consultant's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Consultant shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Consultant shall execute written agreements with its subcontractors containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the City and Consultant. Consultant shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Consultant will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Consultant's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Consultant's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A $25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Consultant's insurance shall be primary insurance with respect to performance of the Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Consultant under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

12.2 Required Insurance Coverage.

A. Commercial General Liability. Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Consultant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Consultant's owned, hired and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Consultant engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Consultant

shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of $2,000,000 each claim and $2,000,000 annual aggregate.

D. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Consultant's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

12.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days' prior written notice to the City.

13. Termination; Cancellation.

13.1 For City's Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Consultant of written notice by the City. Upon termination for convenience, Consultant shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the City upon 30 days' written notice to Consultant in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the City to the Consultant for the undisputed portion of its fee due as of the termination date.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while the Agreement or any extension of the

Agreement is in effect, an employee of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement.

13.5 Gratuities. The City may, by written notice to the Consultant, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Consultant or any agent or representative of the Consultant to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Consultant an amount equal to 150% of the gratuity.

13.6 Agreement Subject to Appropriation. This Agreement is subject to the provisions of ARIZ. CONST. ART. IX, § 5 and ARIZ. REV. STAT. § 42-17106. The provisions of this Agreement for payment of funds by the City shall be effective when funds are appropriated for purposes of this Agreement and are actually available for payment. The City shall be the sole judge and authority in determining the availability of funds under this Agreement and the City shall keep the Consultant fully informed as to the availability of funds for the Agreement. The obligation of the City to make any payment pursuant to this Agreement is a current expense of the City, payable exclusively from such annual appropriations, and is not a general obligation or indebtedness of the City. If the City Council fails to appropriate money sufficient to pay the amounts as set forth in this Agreement during any immediately succeeding fiscal year, this Agreement shall terminate at the end of then-current fiscal year and the City and the Consultant shall be relieved of any subsequent obligation under this Agreement.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Consultant acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the City. Consultant, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Consultant, its employees or subcontractors. The Consultant, and not the City, shall determine the time of its performance of the services provided under this Agreement so long as Consultant meets the requirements of its agreed Scope of Work as set forth in Section 2 above and Exhibit B. Consultant is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Consultant do not intend to nor will they combine business operations under this Agreement.

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

14.3 Laws and Regulations. Consultant shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person

for whom the Consultant is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future City and County ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Consultant.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Consultant without prior, written permission of the City, signed by the City Manager. Any attempted assignment or delegation by Consultant in violation of this provision shall be a breach of this Agreement by Consultant.

14.9 Subcontracts. No subcontract shall be entered into by the Consultant with any other party to furnish any of the material or services specified herein without the prior written approval of the City. The Consultant is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Consultant.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to

exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Consultant from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Consultant any amounts Consultant owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Consultant any amounts Consultant owes to the City for delinquent fees, transaction privilege taxes and property taxes, including any interest or penalties.

14.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City:	City of Avondale 11465 West Civic Center Drive Avondale, Arizona 85323 Attn: David W. Fitzhugh, Acting City Manager
With copy to:	GUST ROSENFELD, P.L.C. One East Washington Street, Suite 1600 Phoenix, Arizona 85004-2553 Attn: Andrew J. McGuire, Esq.
If to Consultant:	Terra Verde, LLC d/b/a Terra Verde Services 7400 East Pinnacle Peak Road, Suite 100 Scottsdale, Arizona 85255 Attn: Edward Vasko, CEO

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this subsection. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

14.15 Confidentiality of Records. The Consultant shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Consultant's duties under this Agreement. Persons requesting such information should be referred to the City. Consultant also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Consultant as needed for the performance of duties under this Agreement.

14.16 Records and Audit Rights. To ensure that the Consultant and its subcontractors are complying with the warranty under subsection 14.17 below, Consultant's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Consultant and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Consultant's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Consultant's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the City to audit Records as set forth in this subsection, Consultant and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the City to Consultant pursuant to this Agreement. Consultant and its subcontractors shall provide the City with adequate and appropriate workspace so that the City can conduct audits in compliance with the provisions of this subsection. The City shall give Consultant or its subcontractors reasonable advance notice of intended audits. Consultant shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Consultant and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-

verify requirements under ARIZ. REV. STAT. § 23-214(A). Consultant's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the City.

14.18 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, the Scope of Work, any City-approved Purchase Order, the Fee Proposal, the RFP and the Consultant's Proposal, the documents shall govern in the order listed herein.

14.19 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

14.20 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions ("Eligible Procurement Unit(s)") are permitted to utilize procurement agreements developed by the City, at their discretion and with the agreement of the awarded Consultant. Consultant may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Consultant. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

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

"**City**"

CITY OF AVONDALE,
an Arizona municipal corporation

David W. Fitzhugh, Acting City Manager

ATTEST:

Carmen Martinez, City Clerk

(ACKNOWLEDGMENT)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On July 10, 2014, before me personally appeared David W. Fitzhugh, the Acting City Manager of the CITY OF AVONDALE, an Arizona municipal corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of the City of Avondale.

AMAPOLA ARREOLA
Notary Public - Arizona
Maricopa County
My Comm. Expires May 11, 2016

(Affix notary seal here)

Notary Public

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

"**Consultant**"

TERRA VERDE, LLC, an Arizona limited liability company, d/b/a Terra Verde Services

By:_____

Name: Edward Vasko

Title: CEO

(ACKNOWLEDGMENT)

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

On July 14th, 2014, before me personally appeared Edward Vasko, the CEO of Terra Verde, LLC, an Arizona limited liability company, d/b/a Terra Verde Services, whose identity was proven to me on the basis of satisfactory evidence to be the person who he/she claims to be, and acknowledged that he/she signed the above document on behalf of the company.

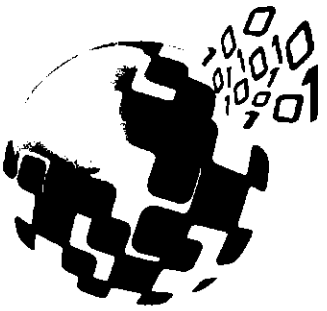
MARIO MUZUROVIC
Notary Public - Arizona
Maricopa County
My Commission Expires
October 13, 2017

(Affix notary seal here)

_____
Notary Public

TERRA VERDE

INTEGRITY • EXPERIENCE • VALUE



Information Security Services

SECURITY AUDITS FOR

City of Avondale

May 14, 2014

Integrity. Experience. Value. ▸▸▸

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BACKGROUND

The City of Avondale serves its focus on the quality of life of residents and visitors since 1946, The City of Avondale has emerged as the West Valley's sports hub with entertainment districts which features two Major League baseball spring training facilities, University of Phoenix NFL Stadium and Jobing.Com NHL Arena; the city has also become the hub for youth sports, attracting numerous regional and out-of-state tournaments. The City Council has established Vision, Values and Goals for our local government Avondale offers nearly 200 acres of parks and 7.5 miles of lakeside trails for active and passive activities.

The City of Avondale realizes the need for secure operations and the importance of assuring the confidentiality of the data that their operations collect and retain. To this end, the City of Avondale needs to perform a risk assessment of their environment. To assist the City of Avondale, Terra Verde Services has provided this proposal for risk management services that includes the following:

- Administrative Controls Review
- Technical Controls Review
- Physical Control Review
- Security Management Practices

Terra Verde Services feels confident that the services presented in this response will meet or exceed the objectives the City of Avondale has in maintaining its goals for a secure and available operating environment.

TERRA VERDE SERVICES OVERVIEW (SECTION 1)

Headquartered in Scottsdale, Arizona, Terra Verde Services started in 2008, and is a value-provider of professional information risk management services and solutions with experienced professionals to help you navigate the risky waters of modern business.

Terra Verde Services has provided services to clients around the world. Large government agencies, Fortune 500 companies as well as small single-practitioner offices, have seen the value of our services and solutions. These services include assessing, designing and implementing technology solutions that are both secure and value-driven. With an average of over 18 years of experience, each of our seasoned professionals are uniquely positioned to help our clients achieve their technology goals, seize new opportunities to serve their customers while also mitigating technology risks, keeping critical systems secure and efficient, and protecting sensitive data.

Terra Verde Service is unique in the following ways:

- Terra Verde Services is the largest IT Security services and solution provider headquartered in Arizona.
- Terra Verde Services is the only Payment Card Industry Qualified Security Assessor (PCI QSA) headquartered in Arizona.
- Terra Verde Services professionals have a minimum of 10 years of experience and an average of 18 years of experience. Because of the depth and breadth of experience that we have, we have a holistic approach to risk management.

- Unlike our competitors, Terra Verde provides customized creative solutions. We provide customized need based solutions that support our client's goals first, not just our own goals. This approach ensures a long-standing valuable relationship with our clients.

Mission Statement
"Our mission is to provide value driven, high quality technology services and solutions our clients will recommend to their associates, partners and peers."

ADVERSE ACTIONS/POTENTIAL IMPACT

Terra Verde services is NOT involved in any of the following actions:
Litigations, threatened litigation, investigation, reorganization, receivership, filing, strike, audit, corporate acquisition, unpaid judgments or other action. Terra Verde Services has not been removed, replaced, or been unable to complete a contract in which we have entered. Terra Verde Services remains, with its full ability, to perform all work associated within our business scope.

Vendor Information Form has been added as **Appendix A**

EXPERIENCE AND QUALIFICATIONS (SECTION 2)

Terra Verde has worked with many organizations and as a PCI QSA we fully understand compliance areas, such as PCI, HIPAA, NERC and have worked with large and small companies on their compliance efforts, across various industries. Below listed are key points.

A. Terra Verde offers many Services and Solutions ranging from assessments, audits, PCI understanding, and being a local Managed Security Services Provider (MSSP). Terra Verde is well equipped with a staff of 40 employees, and our own internal Security Operations Center (SOC).

B. *Approximate number and scale of IT security assessments performed.*
In the year 2013 we performed 16 similar projects including one similar in size and scope for City of Chandler. This year to date we have performed 3 similar projects, including one for the city of Glendale's SCADA environment.

C. *Specialized information and systems services performed and obtained applicable to this RFP (please note subcontractors used, if applicable).* N/A

D. *Specialized security experience applicable to municipal government, including, but not limited to, compliance for ACJIS, FBI, PCI, FIPS, FISMA, NERC, CIP and WG4.*
We are a PCI, Qualified Security Assessor (QSA). Our Sr. Architect chaired for 21 years the international standards group that created the X.509 digital signature certificate, a fundamental component in digital signature and securing web transactions. Our Vice President has consulted in SCADA, FIPS and FISMA with the Air Force, Universities, private and public organizations.

REFERENCES

City of Chandler
Mitchell L. Robinson
Mitchell.Robinson@chandleraz.gov
480-748-5450
Period: 2013 - current
City Wide IT Risk Assessment

Phoenix Children's Hospital
Stash Jarocki, CISO
sjarocki@phoenixchildrens.com
602-933-2756
Specialize in Child Health Care
Period: 2014 - current
Description of work: BCP/DR remediation and testing, risk assessments, PCI gap analysis

LifeLock
Tony Valentine
Tony.valentine@lifelock.com
Comprehensive identity theft protection
480-682-5100
Period: 2013-Current
Description of Work: FTC & PCI Audits, penetration testing, advisory services

City of Glendale:
Val Gonzales; InfoSEC
vgonzales1@glendaleaz.com
623-256-4289
Period: 2008-current
Description of work: Holistic risk assessment of internal/external systems, SCADA environments; managed security services

Choice Hotels:
Jason Stead; CSO
Jason_Stead@choicehotels.com
Hospitality Holding Corporation
602-953-4500
Period: 2008-current
Description of work: Risk assessments, project management, PCI readiness, managed services, vendor selection, security technology implementation, application security assessments

KEY POSITIONS (SECTION 3)

Included in this proposal are the Key Personnel Profiles. Please review **Addendum A** for further profile details. Key personnel will include the following:

1. Edward Vasko :CEO,
2. Suzanne Farr : COO,
3. Carlos Villalba CISSP, QSA, CEH, CPTE PhD(ABD): VP of Services,
4. Jeff Weekes GSE, CISSP, QSA, CEH: Sr. Security Architect. Hands on security engineer
5. Hoyt Kesterson CISSP, QSA: Sr. Security Architect. Hands on Security engineer

Terra Verde maintains its level of expertise, over time, due to our efforts in certification training, hiring, and hands on experience in the field of expertise. Terra Verde has sustained a very high level of professionals, because we hire professionals, with no less than 10 years of actual experience in the IT security space. We also have very strong relationships with our local universities, in which we have started an internship program to not only recruit from, but to "grow our own", in terms of future experienced engineers. Every team member has completed over three years of employment with Terra Verde.

PROJECT APPROACH /OBJECTIVES AND SCOPE (SECTION 4)

ENGAGEMENT OBJECTIVES

RISK ANALYSIS OBJECTIVES

This risk assessment is a detailed look at the organization from an IT security perspective. We will visit the site(s), evaluate materials provided by the organization, interview employees, gathered detail information from observation and utilized sophisticated tools to evaluate the systems. The objective of our assessment is twofold. First, to provide the City of Avondale an understanding of possible risks associated with any identified control gaps. Second, to provide a pragmatic plan for remediation of identified gaps.

The City of Avondale leadership wishes to engage Terra Verde Services, to perform a series of security assessments in support of their goals to determine/validate the current baseline level of security and identify any areas of specific concern. This engagement will identify vulnerabilities discovered during these assessments and provide recommendations to remediate them. The following areas define the objectives for this assessment:

- Network penetration testing.
- Social engineering testing.
- A review of City security policies and processes.
- Systems, applications and online services testing.
- Critical malware detection. Communication of initial findings.
- Re-testing.
- Likelihood of occurrence of each identified risk.
- Identification of potential impact.
- Provision of multiple options to apply corrective action.
- Risk analysis approach. Application of risk criteria to prioritize corrective action.
- Other testing for high risk and critical impact needs.

"Sample Security Report" will be added as appendix B at the end of the Proposal

"Sample Security Readiness Letter" appendix C will be added at the end of the Proposal

ADVANCED INFORMATION SECURITY SERVICES

Terra Verde's approach specifically to performing Advanced Information Security Services, including, but not limited to, the following is described in the below chart:

Security incident/breach response.	Expert Witness litigation Support Service Data Breach Preparation and Remediation Service Data Discovery Service Incident Response and Digital Forensic Service
PCI compliance verification services.	Gap Analysis, SAQ preparation, PCI DSS Report on Compliance, Qualified Security Assessors
HIPAA and HiTECH compliance verification services.	Gap Analysis and Audit.
Cyber security forensic investigation services.	Imaging, evidence evaluation, emergency response
Remote intrusion monitoring.	24/7 Monitoring of security related events (logs, firewalls, IPS, IDS, Routers, Firewalls, etc. Event correlation and analysis.

Critical malware detection, isolation and removal.	Advance reverse engineering, Netflow analysis, memory forensics and analysis, Oracle and MS SQL Database security
SCADA security planning and hardening.	Expertise in NIST SP800-82; Guide to Industrial Control Systems (ICS) Security, provides methods and standards.
Data recovery services.	N/A
Credit protection and counseling for City customers.	N/A
Information systems security training.	Security Education Training and Awareness content and program administration. Online Learning Management System to deliver online courses to our client.
Ad-hoc penetration testing.	Gray/Black Hat Internal/external network penetration assessment and web application assessments.
NIST SP 800-53 controls testing.	FISMA, DIACAP, CSA and NIST control design and evaluation.
Ad-hoc social engineering testing	Physical and logical perimeter breach/testing.
Ad-hoc remote intrusion testing.	Gray/Black Hat Internal/external network penetration assessment and web application assessments.
Ad-hoc internal security testing.	Vulnerability assessment, patch program audit, technical, administrative, physical and logical controls assessment
Information systems architecture development/review.	Secure architecture design, traditional infrastructure migrations to the cloud or colo environments.
Information and systems security consulting.	We have two specific areas of focus - security services and security solutions. Our services division is highly focused on compliance. Our professionals have expertise in auditing for HIPAA, PCI DSS (Terra Verde Services is a PCI Qualified Security Assessor), ISO 17799, ISO 27000 series, GLBA, IRS Publication 1075, Sarbanes-Oxley, CoBiT, FISMA/NIST, FTC Red Flag rules, and state privacy and data breach notification laws. We assist our clients in pre-audit assessments, remediation and testing, introducing industry best practices and standards to ensure a successful outcome. Additionally, we have helped our client base to establish necessary and achievable security strategies tailored to meet their compliance and business needs.
Computer encryption solution and services.	VPN, PKI design and assessment.

Technical Controls Objectives

1. Terra Verde Services will evaluate key network control points to include, but not limited to: network traffic routing and filtration rules of network devices to include firewalls, routers, switches and servers. This will include conducting vulnerability scanning, using various security assessment tools designed to identify vulnerabilities, threats and risks associated with the use of the Internet and Internal protected data hosts. These devices shall include but are not limited to, servers, Web Servers, FTP, E-Mail, Firewalls, Routers, Switches, programmable logic controllers (PLCs), and supporting network devices and services. Due care is to be taken to

avoid impacting performance to users and automated data collection systems. The following areas will be reviewed:

- Access Controls and Password Management
- Anti-Virus, Spyware/Malware Protection
- Assess and report on mobile device management controls
- Encryption of sensitive data transmitted over the network(s)
- External Vulnerability Assessment
- IDS Audit
- Internal Vulnerability Assessment
- Logical and physical network perimeter access to Water Services' data
- Missing Patches and Updates
- Network Firewall Administration
- Network operating systems and systems software configuration controls
- Network Security administration and monitoring practices
- Network Topology
- Network VOIP/Telecommunication Systems and Administration
- Password Audit
- PCL isolation/control
- Platforms Review
- Port Usage
- Processes
- Router Audit
- Services
- Switch Audit
- System Configuration
- URL Filtering
- Wireless Access Audit

Physical Controls Objectives

Terra Verde Services will review:

1. Restricted areas, authorization, methods and controls – Assess the access controls relating to data networks and supporting equipment for restricted areas. Assess and evaluate the processes and protocols in use relating to proper authorization to access restricted areas of City facilities including but not limited to controls such as: Cameras, Badging systems, Keys, and associated processes and procedures.
2. Motion Detectors, Physical Intrusion Detection, Sensors, and Alarms – Review, assess and evaluate for the existence and operations of burglar detection, their associated sensors and alarm functions in areas covered in
3. Fencing, security guards, and security badge types – Evaluate and assess for reasonable use of security fencing, on premise armed/unarmed security personnel (Guards). Report all findings relating to deficiencies and inadequate protections.
4. General Safety – Evaluate and assess general safety findings. The City provides for detail safety inspections. Report all findings relating to general safety issues including Disposal and Reuse of Media and Hardware

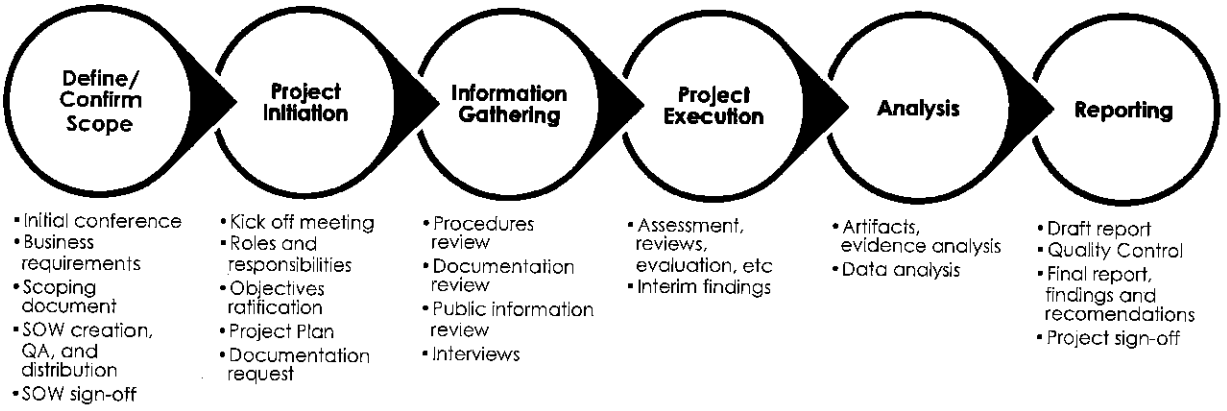
PROPOSED SERVICES

Based on City of Avondale's Objectives, Scope and Deliverables, Terra Verde Services presents the following services for consideration.

OVERALL PROJECT MANAGEMENT AND COMMUNICATIONS

Upon execution of the City's Purchase & Services Agreement, Terra Verde Services will schedule a kick-off meeting with key personnel where the overall requirements and approach will be confirmed. During this session, we will recap assumptions as well as data collection methods. Terra Verde Services will request that available documentation be provided during this meeting and those responsible parties, including the project sponsor, be identified.

Throughout the project, the assigned Terra Verde Services Project Manager will ensure appropriate communication occurs, maintain the project plan, weekly status reports, conduct status meetings, manage all issues and project risks, address potential scope adjustments, and work with the Project Sponsor as needed to obtain timely review, approval, and acceptance of deliverables.



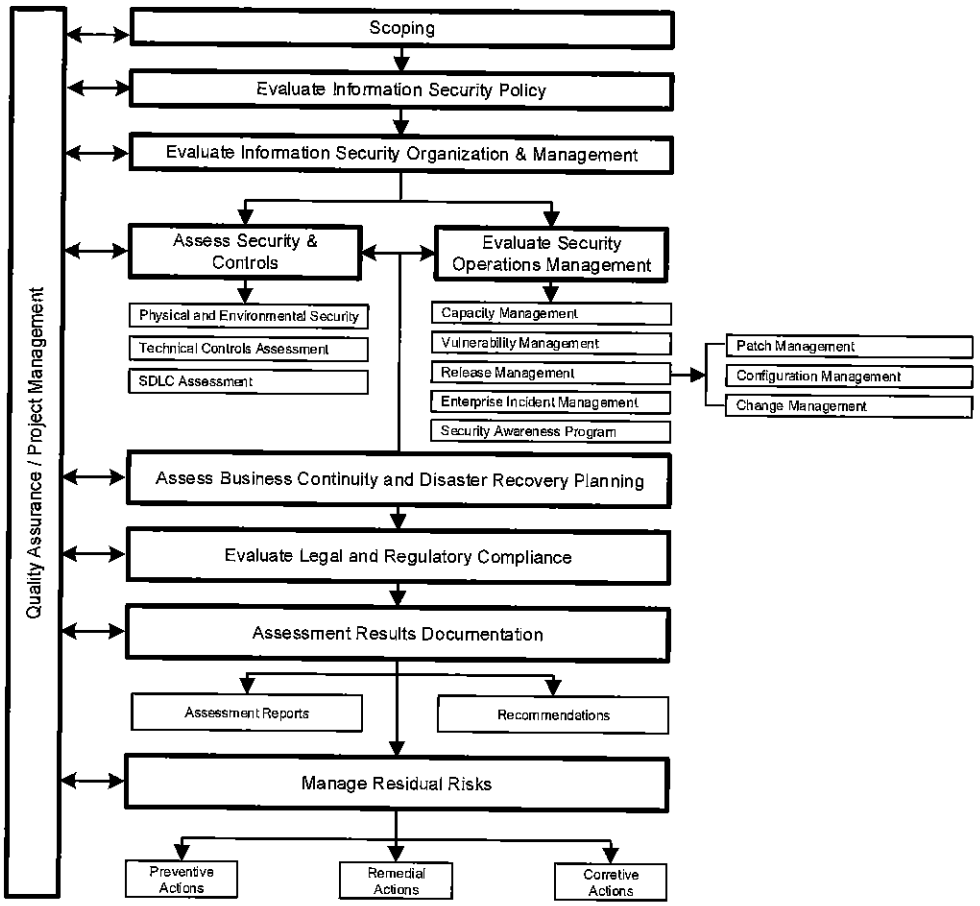
RISK MANAGEMENT SERVICES

We use a thorough approach to security management that combines several methodologies and best practices. This allows for alignment with City of Avondale's assorted business areas and functions. Our governance model experience provides us with an enterprise view of all aspects of Information Technology. Our staff members have assessed and created information security strategies and programs for all sizes of government agencies. Our approach to engagements is pragmatic, built through our extensive experience, and addresses three key questions:

- Where are you today? (Assess Current State)
- Where do you want to be? (Architect Desired State)
- How do you get there? (Integration and Improvement)

The information security management system approach is based on a risk-justified approach, to establish, implement, operate, monitor, review, maintain, and improve information security. The Security Assessment is usually one of the first steps in an Enterprise Information Security Strategic Plan and Program.

Our methodology is derived from pragmatic practices and has been validated by successful engagements for public and private organizations across the nation.



This methodology is based on best practices and standards, including:

- ISO/IEC 27001:2013 the International Standards Organization (ISO), has identified the information security requirements for Information Security Management Systems (ISMS).
- ISO/IEC 27002 provides best practice recommendations on information security management for use by those who are responsible for initiating, implementing or maintaining Information Security Management Systems (ISMS)
- NIST SP Series; Specifically NIST 800-30 – Risk Management Guide for Information Technology Systems, provides an approach to risk planning requirements.
- NIST SP800-82; Guide to Industrial Control Systems (ICS) Security, provides methods and standards.
- AWWA Roadmap to Secure Control System in the Water Sector methods and standards.
- Payment Card Industry Data Security Standard (PCI-DSS) was developed by the major credit card companies as a guideline to help organizations that process card payments prevent credit card fraud, cracking and various other security vulnerabilities and threats.
- Information Technology Infrastructure Library (ITIL) which gives a detailed description of a number of important IT practices with comprehensive checklists, tasks and procedures that can be tailored to any IT organization.
- CoBiT Maturity Model – This controls model is used to assist in benchmarking the maturity of, and decision-making for, IT capability improvements.

Terra Verde Services conducts its review in conformity with several security compliance frameworks. They include: (1) COBIT 4.1, (2) ISO/IEC 27001, (3) NIST Special Publication 800 – 53 r4, and (4) HIPAA/HITRUST Act., (5) PCI-DSS and PA-DSS.

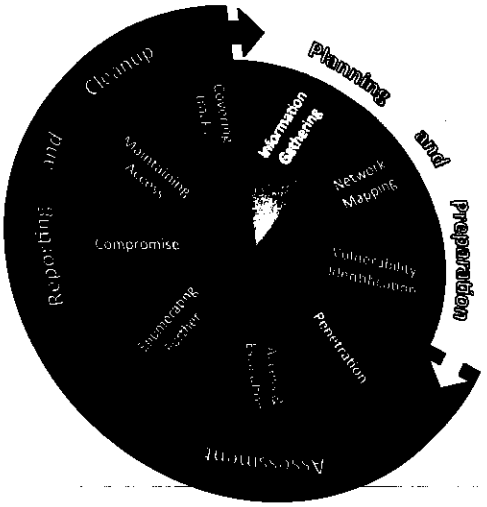
We integrated industry best practices and multiple compliance frameworks into a practical assessment framework.
Our processes build on the ISO/IEC 27001:2013 model being utilized by the International Standards Organization. This model has four major components:

- The **Plan** phase is about designing the ISMS, assessing information security risks and selecting appropriate controls.
- The **Do** phase involves implementing and operating the controls.
- The **Check** phase's objective is to review and evaluate the performance (efficiency and effectiveness) of the ISMS.
- In the **Act** phase, changes are made where necessary to bring the ISMS back to peak performance.

The result of these activities will help ensure that City of Avondale has an understanding of the organization's baseline of Security on which to begin to assemble an effective enterprise information security program that complies with regulations, industry standards, and common best practice.

APPROACH

Terra Verde Services' Information Security Assessment, Evaluation, and Testing (IASET) services are designed to provide a holistic, point-in-time, view of a company's overall information security posture. We leverage a standard approach developed initially by the National Security Agency (NSA). Also the Information Security Assessment Framework (ISSAF) version 0.2 from the Open Information Security Group (OISSG) in order to help organizations meet Homeland Security requirements (HSPD-7) and provide a method for consistent delivery of information security assessments.



Our security professionals developed a methodology that is constantly updated with new techniques and vulnerabilities. It consists of a three-phase approach and nine step assessment. The attack scenario often begins with passive probing to provide a map of the target network, and then progressively escalates. Configuration weaknesses and vulnerable systems are exploited to gain unauthorized or privileged system access. Throughout the test, we work with you to identify appropriate target systems and to keep you up to date on the attack's progress. A final report will identify all discovered vulnerabilities and the affected systems.
The approach includes following three phases:

- Phase – I: Planning and Preparation
- Phase – II: Assessment

- Phase – III: Reporting, Clean-up and Destroy Artifacts

Terra Verde Services utilizes the following processes and strategies to ensure the strictest confidentiality to our customer's data when executing projects:

- All our consultants are carefully screened and have undergone an extensive background check.
- Terra Verde Services uses only secure access methods for all data access.
- All our portable and testing systems are using full disk encryption and are password protected at boot, OS level and tool level.
- All our systems use complex password policies and these passwords are never reused or shared.
- All data collected during projects is carefully protected and examined only on the systems that collected it or our secure toolset in our headquarters.
- All our consultants understand security and follow industry best practices for securing your data.
- Your information is only disclosed to our consultants on a need-to-know basis and only to those assigned to work in your project.
- Assessment and evaluation materials are destroyed according to DoD Media Sanitization Guidelines once turned over to the client unless storage is required by law and/or regulation.

TOOLS

The following software and tools will be used to complete this project, included but not limited to the following: Kali, Nessus, sqlmap, Samurai, TVS Report creator (proprietary), Solarwinds, ncat, nmap, perl, ruby, TVS proprietary manual security testing scripts, TVS scanner whitelancer, W3af, Arachni, Burp Suite Pro, nikto, OWASP ZAP, waffiti, wifi-pineapple, fern, metasploit and general operating system native commands.

DELIVERABLES

REPORTING

During the assessment, we provide verbal results on all high-risk findings on a daily or as needed basis. Weekly reports will summarize the progress and status of the project. Two final reports will be generated for this assessment.

The first report contains a short and graphical "executive summary" section, a narrative "body" which details major events which occurred during the project. The executive summary contains a statement of the project scope as well as non-technical descriptions of all our high-risk findings along with their inherent business risk. The narrative body of the report restates the scope and approach and presents the engagement results for a non-technical audience. In addition, we provide the broad "next steps" which City of Avondale can take to address security deficiencies from an architectural and solutions implementation perspective.

The second report, contains detailed findings section is structured to facilitate immediate remedial action by technical staff, and although we can omit and add additional areas (such as management response) by request, the listing typically includes the following information for each vulnerability found as part of our assessment efforts:

A text description of the vulnerability;

- The host(s) affected by the vulnerability;
- The technical risks inherent in the vulnerability;
- The vulnerability classification (high, medium or low) that describes the risk level as a function of the role the technology plays in servicing the application. For example, the data layer (database component) of an application may pose a higher risk than the presentation layer (application component) if the database accepts updates from widely available ad-hoc database access tools;
- Technical description of how to reduce or eliminate the exposures inherent in the vulnerabilities;
- An estimate of the resources required to implement the fix

In addition, Terra Verde Services will provide details on the related areas reviewed, including the results of our discovery / scanning tasks for City of Avondale.

QUALITY ASSURANCE

Our corporate culture is based upon rigorous quality control measures to support our client processes. Our Quality Assurance (QA) Program assures that our services are not only of high quality but also satisfy or exceed client requirements and expectations. The goal of our QA Program is to encompass and implement the best practices throughout all phases of client engagements. Our QA program identifies deficiencies and/or non-conformities, promotes problem resolution, manages changes, and provides data, reports, and project deliverables that are accurate, reliable, and acceptable for the intended purpose. Our QA program has been designed based on the following key goals:

- Provide the highest quality services to the customer.
- Continually evaluate the quality of our services and processes to find every opportunity for improvement.

RESOURCES

With a detailed understanding that one size does not fit all, Terra Verde Services delivers the right mix of services that are commensurate with your organizations size, risk appetite, and regulatory footprint. Our seasoned personnel are extremely experienced in the areas of information security, and have all worked in the industry for a minimum of ten (10) years.

CLIENT RESPONSIBILITIES AND ENGAGEMENT ASSUMPTIONS

CLIENT RESPONSIBILITIES

In order to receive the benefits of the proposed project City of Avondale will coordinate certain resources and activities.

- City of Avondale will designate an authorized employee as a "project sponsor" who will make all management decisions with respect to this engagement.
- At the start of the engagement, City of Avondale staff will participate in a planning exercise and decision-makers will officially accept the timeline and costs.
- City of Avondale will provide Terra Verde with reasonable access to all individuals, documentation, systems (as needed) and sites/locations needed to complete project deliverables.

- The City of Avondale project sponsor will communicate with managers and vendors as needed to ensure awareness is raised and support will be provided.
- Desks/cubes, power, network, and telephone access (if required) will be available for project-assigned Terra Verde Services employees when they are working on the City of Avondale.
- City of Avondale must examine final deliverables and deem them acceptable or provide explanation of deficiencies in writing.
- Any special conditions, not stipulated at the time of this quotation, such as late evening/early morning hour requirements (Monday-Friday 5PM-8AM and weekends), or any other special testing windows not stated during the initial scoping, may result in additional fees and may require a Change Order.
- Although no out-of-state travel is anticipated for this engagement and all in-scope facilities are accessible via remote methods, fees quoted do not include travel and living costs. Should such travel become necessary, it is our intention to minimize travel costs associated with the engagement. The City of Avondale will be responsible for paying all travel-related expenses including billable travel time at 50% of standard hourly rate, if travel outside the Phoenix-metro area is required for completion of this engagement. If requested by the City of Avondale and prior to travel arrangements being made, Terra Verde Services will adopt the City's travel-related policies.
- Client must provide accounting contact information and email address below:
  Accounting Contact:

  Name: _____

  Address: _____

  Email: _____

ENGAGEMENT ASSUMPTIONS

The scope and timeline of this project are based on the following assumptions. If these prove to be untrue, the deliverables and/or finish date may need to change, which may also impact total cost.

- All client responsibilities noted above including reasonable access to all individuals, documentation, systems (as needed) and sites/locations needed to complete project deliverables will be provided at the start of, and throughout, the engagement.
- At the kickoff meeting, City of Avondale will provide documentation (e.g. control documentation, network diagrams, prior assessment work) needed to start the engagement including lists of key personnel and their contact information.
- Significant rework of the environment will not be necessary in order to conduct the assessment.
- Infrastructure assessments may be performed against production systems. Terra Verde Services will make reasonable efforts to minimize impact to production systems.
- Terra Verde Services will not be responsible for:
  - Third party software functionality within Client's existing technical environment;
  - Management decisions with respect to this project;
  - Data consistency and integrity issues; and
  - Activities related to system programming and certification of reporting results.
- Regulatory requirements are subject to change. Terra Verde Services will work with City of Avondale to ensure the latest criteria are used. Changes may impact the overall hours and requirements needed to complete this engagement.

- Any special conditions, not stipulated at the time of this quotation, such as late evening/early morning hour requirements (Monday-Friday 5PM-8AM and weekends), or any other special testing windows not stated during the initial scoping, may result in additional fees and may require a Change Order.

During the various phases of this process, Terra Verde Services may assign more than one resource to complete the evaluations within each phase. As such, Terra Verde Services may require access to more than one internal City of Avondale resource. Although Terra Verde Services does not anticipate this to be an issue, the risk of delay can progressively increase as additional simultaneous resources are involved. Terra Verde Services will make every possible effort to minimize impact to City of Avondale resources. Nonetheless, City of Avondale staff may be required to escort Terra Verde Services consultants, provide access to facilities, answer evaluation questionnaires, provide documentation and/or configurations, and participate in project meetings.

ENGAGEMENT TIMELINE/SCHEDULE (SECTION 5)

The following timeline is presented based on the scope, objectives presented. Timelines are subject to change.

Item Description	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5
1. Security Assessment Services Milestones/Deliverables					
1.1. Kickoff, Planning, and Analysis	[redacted] 8	[redacted] 8	[redacted] 8	[redacted] 8	[redacted] 8
1.2. Security Testing (Describe testing approach, coordination with City	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
1.3. Review of Policies and Controls	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2
1.4. Secure Delivery of Initial Report	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2
1.5. Re-Test After Delivery of Initial Report	[redacted] 4.8	[redacted] 4.8	[redacted] 4.8	[redacted] 4.8	[redacted] 4.8
1.6. Secure Delivery of Final Report and Security Letter	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2	[redacted] 3.2
1.7. Final Acceptance of Vendor Services	[redacted] 11	[redacted] 11	[redacted] 11	[redacted] 11	[redacted] 11

Approximately 10-20% of City's staff time will be needed for each effort level.

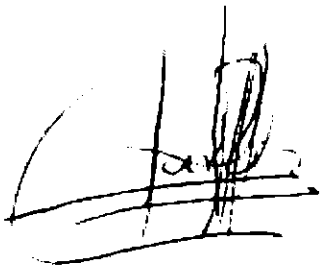
PRICING (SECTION 6) PRESENTED IN SEPARATE SEALED ENVELOPE

All fees quoted are set on a "not to exceed" basis for labor only. This provides City of Avondale with a reasonable understanding of the maximum fees expected for each phase. Fees quoted do not include travel and living costs for travel. Travel is not expected for this engagement. If travel is required, City of Avondale will be responsible for paying all travel-related expenses including billable travel time at 50% of the hourly rate. If requested by City of Avondale and prior to travel arrangements being made, Terra Verde Services will adopt City of Avondale's travel-related policies.

ADVANCED INFORMATION SECURITY SERVICES PRICING (PRESENTED IN SEPARATE SEALED ENVELOPE)

Lastly, Terra Verde is pleased to provide the cost information for The City of Avondale to consider for future needs or requirements, listed in a separate and sealed envelope as well. If The City of Avondale is interested in any of the services below, Terra Verde will utilize the cost matrix to create specific engagement letters/sales orders through which services can be easily deployed and made effective. **These are not final prices, but based on averages, and may adjust slightly. Final pricing will be based on the scoping exercise, and information given within the RFQ provided to Terra Verde if accepted to proceed. Final pricing "will not exceed" our total calculations.** During this engagement, if City of Avondale should add to the project or ask for additional services the scope of this agreement can be extended upon approval of both parties with a simple amendment.

For Terra Verde Services:



Carlos Villalba
Director of Security Services
Office: 480.840.1744 x21
Fax: 864-752-3491
Email:
carlos.villalba@terraverdeservices.com
June 26, 2014

CONCLUSION AND CONTACT INFORMATION

Terra Verde Services is uniquely qualified to provide this assessment because of the experienced personnel we will leverage to achieve the goals and objectives of this engagement. If there are any questions or wishes to further tailor the contents of this proposal, please contact Mikah Perez.

BUSINESS DEVELOPMENT

Mikah Perez
Business Development Director
480.840.1744 x33
Mikah.perez@TVRMS.com

APPENDIX A: VENDOR INFO FORM

Included in paper proposal

CITY OF AVONDALE
INFORMATION TECHNOLOGY DEPARTMENT
SECTION A **IT 14-031**

IV. **VENDOR INFORMATION FORM**

By submitting a Proposal, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Purchase and Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

VENDOR SUBMITTING PROPOSAL	FEDERAL TAX ID NUMBER
PRINTED NAME AND TITLE	AUTHORIZED SIGNATURE
ADDRESS	TELEPHONE FAX #
CITY STATE ZIP	DATE
WEB SITE:	E-MAIL ADDRESS:

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

_____ Small Business Enterprise (SBE)
_____ Minority Business Enterprise (MBE)
_____ Disadvantaged Business Enterprise (DBE)
_____ Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise?

If yes, please provide details and documentation of the certification.

2150480.2

A-15

APPENDIX B: SAMPLE SECURITY REPORT

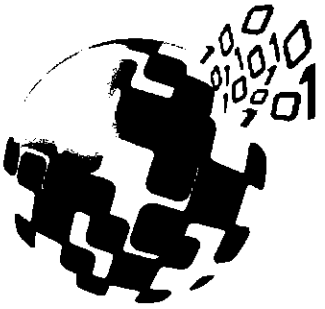
Paper copy attached

EXHIBIT A
TO
PURCHASE AND SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
TERRA VERDE, LLC
d/b/a
TERRA VERDE SERVICES

[Consultant's Proposal]

See following pages.

TERRA VERDE
INTEGRITY • EXPERIENCE • VALUE



CLIENT Risk Assessment Report

RISK MANAGEMENT SERVICES

FOR: CLIENT

April 29, 2015

CONFIDENTIAL AND PROPRIETARY

The information contained within this report is considered proprietary and confidential to . Inappropriate and unauthorized disclosure of this report or portions of it could result in significant damage or loss to . This report should be distributed to individuals on a Need-to-Know basis only. Paper copies should be locked up when not in use. Electronic copies should be stored offline and protected appropriately.

Revision History

Version	Date	Description	Author
1.0	April 23nd, 2015	First Draft	Auditor
2.0	April 28, 2015	Second Draft	Auditor
3.0	April 29, 2015	Final Draft	Auditor

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EXECUTIVE SUMMARY

ENGAGEMENT SUMMARY

(CLIENT) engaged Terra Verde to perform a risk assessment of their enterprise network and server infrastructure environment. Terra Verde performed a risk management assessment that included the following:

- Administrative Controls Review
- Technical Controls Review
- Physical Controls Review
- Security Management Review

Through a review of existing documentation, personnel interviews, observations, and hands-on evaluation, the current state of security awareness and proficiency were determined. In-place processes for secure computing were evaluated against industry standards in order to gauge the state of governance and oversight within the organization. Existing policy and procedure documents were reviewed for coverage of personnel, processes, recourse, formal assignment of roles and responsibilities, and secure implementation of technologies.

All human resources administrative security controls, vendors in general and specifically out-sourcing vendors' were out of scope for this analysis. Groups and resources outside of CLIENT Information Technology were out-of-scope as well.

In addition to site inspections, a technical vulnerability assessment was also conducted to validate documented configurations, network architecture, and technical controls safeguarding the network which supports critical infrastructure. The network supporting critical infrastructure was assessed for secure configuration, secure topology, and failover configuration. Systems were also reviewed for physical deployment, secure configuration, and location on the network. Hardware solutions were evaluated for their suitability in the management and support of critical infrastructure.

During the course of the assessment, a number of physical locations were evaluated and assessed for physical security. During the engagement, sensitive areas and locations housing servers and network equipment were identified and assessed for camera placement and coverage, physical access controls, and perimeter security.

The goal of this engagement was to determine and validate the current baseline level of security and identify any areas of specific concern. During the engagement, vulnerabilities were identified and the current state of secure computing was evaluated, including people, processes, and technologies.

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CONTROLS SUMMARY

Terra Verde reviewed the following security domains categories and assessed them for risk with regard to operating a critical infrastructure information technology (IT) environment:

- Information Systems Security Management Controls
- Information Security Incident Management Controls
- Business Continuity Management Controls
- Information Access Control Management Controls
- Security Policy Management Controls
- Compliance Management Controls
- Communications and Operations Management Controls
- Organizational Asset Management Controls
- Corporate Security Management Controls
- Physical and Environmental Security Management Controls

The following table summarizes the overall findings. The severity is noted for each summary item and represents the priority suggested for attention and remediation. Priorities were defined utilizing the NIST800-30 risk calculation method that takes into consideration likelihood and impact. High risks findings will require that planning and corrective actions should be developed and implemented within 6 months. Medium risks findings will require that planning and corrective actions should be developed and implemented within 10 months. Low risks findings will require that planning and corrective actions should be developed and implemented within 3 years.

Control	Risk Level	Remediation Priority
Access Controls and Password Management	**High**	1
Missing Patches and Updates	**High**	2
Mobile Device Management Controls	**High**	3
Strategic Planning	**High**	4
Policies and Procedures	**High**	5
Incident Response	**High**	6
Remote Access for Employees	**High**	7
Backup		8
Separation of Duties		9
Configuration Management		10
Network Security Administration and Monitoring Practices		11
Network Isolation, Segmentation		12
Data Management Practices		13
Network Device Configurations for Firewall, Switch and Router review.	**Low**	14
Network Operating Systems and Systems Control Software	**Low**	15
Network operating systems and systems software configuration controls	**Low**	16
Network VoIP Systems, Call Center Management	**Low**	17
System Configurations	**Low**	18
Platform Review	**Low**	19
Port Usage	**Low**	20
BCP and DR	**Low**	21
Physical Access Control	**Low**	22

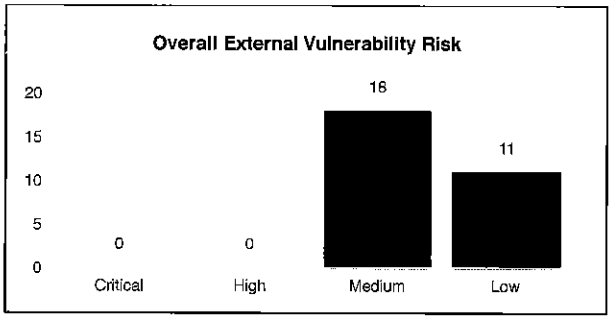
VULNERABILITY ANALYSIS SUMMARY

This section summarizes the risks associated with the vulnerabilities identified during the systems Vulnerability Assessment (more information on vulnerability risk determination is provided in Appendix I: Risk Calculation And Classification). A detailed analysis of all vulnerabilities is being made available in excel format. It provides a greater degree of flexibility when querying the vulnerability results.

- Critical risk vulnerabilities require immediate (30 days or less) attention to handle as there is typically readily available exploit code or exploitation is extremely easy for attackers to gain full access to affected systems.
- High risk vulnerabilities require immediate (60 days or less) attention to handle as they are relatively easy for attackers to exploit frequently resulting in full access to affected systems.
- Medium risk vulnerabilities are harder to exploit and may not result in full control of the affected system and should be addressed rapidly (90 days or less) and with priority.
- Low risk vulnerabilities usually let attackers gain information about your network making it easier for launching more advanced attacks and should be handled in a timely manner (180 days or less where appropriate).

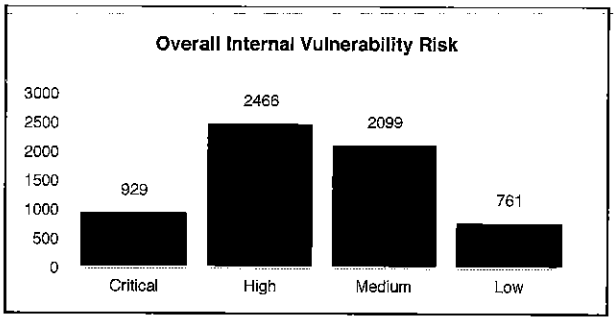
EXTERNAL VULNERABILITY RESULTS SUMMARY

A total of 20 internal hosts were found and scanned for vulnerabilities during the scan. There were 29 vulnerabilities found during this scan. Of these, 18 were medium vulnerabilities, and 11 were low vulnerabilities.



INTERNAL VULNERABILITY RESULTS SUMMARY

A total of 207 internal hosts were found and scanned for vulnerabilities during the scan. There were 6255 vulnerabilities found during this scan. Of these, 929 were critical vulnerabilities, 2466 were high vulnerabilities, 2099 were medium vulnerabilities, and 761 were low vulnerabilities.



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FINDINGS SUMMARY

CONTROL RISK DETERMINATION METHODOLOGY SUMMARY

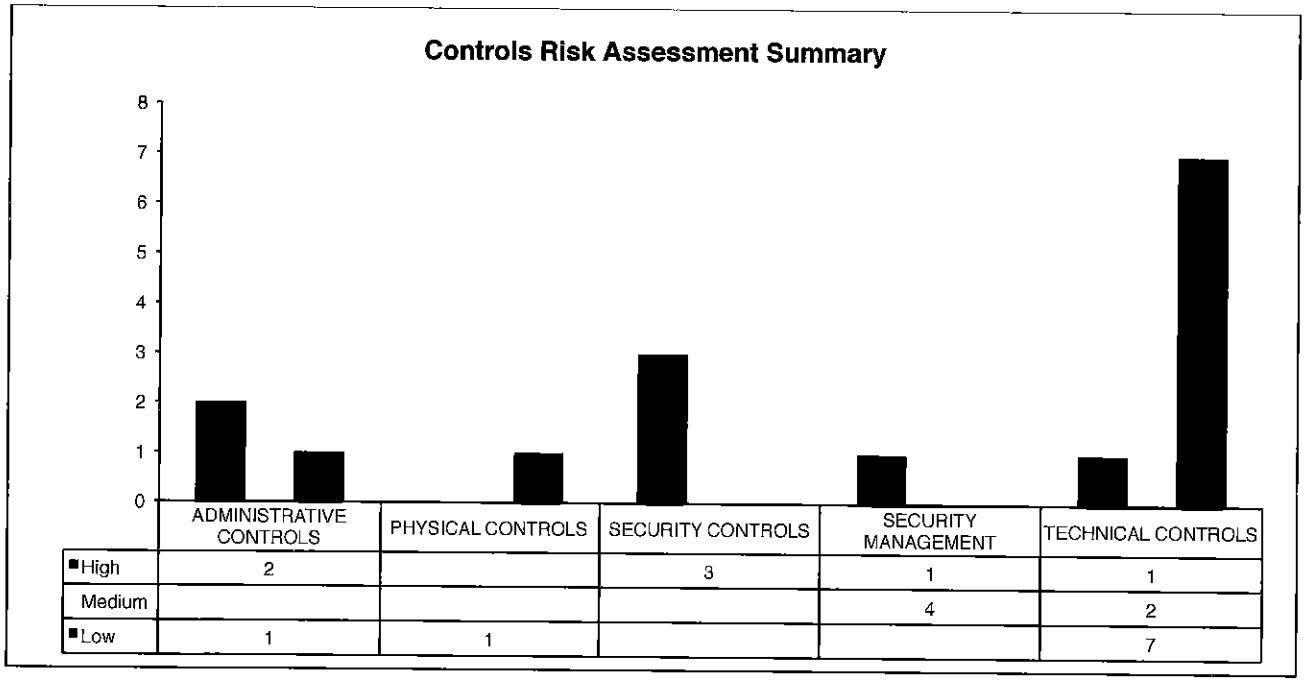
CLIENT risk ranking is based primarily on NIST 800-30 risk definitions and calculations. Risk is then adjusted taking into account industry best practices such as The Federal Financial Institution Examination Council InfoBase, NIST controls and ISO standards.

	High Exercise of the vulnerability could be expected to have a severe or catastrophic adverse effect on organizational operations, organizational assets, or individuals.	**Moderate** Exercise of the vulnerability could be expected to have a serious adverse effect on organizational operations, organizational assets, or individuals.	**Low** Exercise of the vulnerability could be expected to have a limited adverse effect on organizational operations, organizational assets, or individuals.
High The capability of the threat is significant, and compensating controls to reduce the probability of vulnerability exploitation are insufficient.	**High** If an observation or finding is evaluated as a high risk, there is a strong need for corrective measures. An existing system may continue to operate, but a corrective action plan must be put in place as soon as possible.	**Medium** If an observation is rated as medium risk, corrective actions are needed and a plan must be developed to incorporate these actions within a reasonable period of time.	**Low** If an observation is described as low risk, you must determine whether corrective actions are still required or decide to accept the risk.
Medium The capability of the threat is medium, and implemented compensating controls lessen the probability of vulnerability exploitation.	**Medium**	**Medium**	Low
Low The capability of the threat is limited, and compensating controls are in place that effectively reduces the probability of vulnerability exploitation.	Low	Low	Low

Risk categorization carries a remediation prioritization time recommendation as follows:

High risks: Planning and corrective actions should be developed and implemented within 6 months
Medium risks: Planning and corrective actions should be developed and implemented within 10 months
Low risks: Planning and corrective actions should be developed and implemented within 3 years.

CONTROLS RISK ASSESSMENT SUMMARY



	ADMINISTRATIVE CONTROLS	PHYSICAL CONTROLS	SECURITY CONTROLS	SECURITY MANAGEMENT	TECHNICAL CONTROLS
High	2		3	1	1
Medium				4	2
Low	1	1			7

The summarized findings are organized in the same manner as the body of the report; however, these items represent the top security issues facing CLIENT.

Control	Risk Level
Incident Response	**High**
Policies and Procedures	**High**
BCP and DR	**Low**
Physical Access Control	**Low**
Access Controls and Password Management	**High**
Missing Patches and Updates	**High**
Mobile Device Management Controls	**High**
Strategic Planning	**High**
Backup	
Configuration Management	
Data Management Practices	
Separation of Duties	
Remote Access for Employees	**High**
Network Isolation, Segmentation	
Network Security Administration and Monitoring Practices	
Network Device Configurations for Firewall, Switch and Router review.	**Low**
Network Operating Systems and Systems Control Software	**Low**
Network operating systems and systems software configuration controls	**Low**
Network VoIP Systems, Call Center Management	**Low**
Platform Review	**Low**
Port Usage	**Low**
System Configurations	**Low**

ADMINISTRATIVE CONTROLS

Control	Description	Recommendations	Risk Level
Incident Response	Incident Response Plan is not being properly maintained. Terminated team members' information is listed on the incident response team contacts. Although plans are tested they are not being updated or improved. These plans are not taking into consideration changes in CLIENT's technologies landscape, strategic plans and new threats. Without proper escalation procedures and prompt incident response capabilities even low probability threats can cause significant loss to CLIENT.	Incident Response Plan should be kept up-to-date and reviewed annually and after any major environmental and personnel changes. Incident response procedures should account for public relation's response and posture in the event the press or social media reports a security incident. Best practices are available in NIST 800-61 Computer Security Incident Handling Guide.	**High**
Policies and Procedures	The current policies and procedures have not been reviewed nor updated for the past 2-3 years. These policies and procedures are incomplete and do not adequately ensure administrative security of the environment. The lack of formal procedures will promote ad-hoc behavior.	The security policies should cover of all personnel, processes, and technologies, and should follow industry best practices. Policies and procedures should be kept up-to-date and reviewed annually and after any major environmental and personnel changes. Procedures should be the concrete realization of the policy principles. The procedures should detail the actual process or work steps that accomplish the objectives of the policies. Best practices are provided in the Federal Financial Institutions Examination Council (FFIEC) Information Technology (IT) Examination Handbook.	**High**
BCP and DR	The previous Business Impact Analysis failed to assess the impacts, effects and loss that might result if the organization were to suffer a major disaster (earthquake, volcanic eruption, tsunami, etc.) with the current disaster recovery and backup plans. Primary and disaster recovery sites would be preferable in different seismic zones as it will help to curb issues arising from various seismic activities. The close proximity of the data centers and disaster recovery (DR) site present a potential risk of continuation of critical business	Back-up arrangements should be as far away from the primary site as necessary to avoid being subject to the same set of risks as the primary location. A geographically dispersed recovery strategy should be considered, for instance having DR site/information backups in the US mainland. Partner with a managed service provider for your offsite data protection needs, and send your data to a secure location off the village. Best practices are provided in the Federal Financial Institutions Examination Council (FFIEC) Information Technology (IT) Examination Handbook.	**Low**

Control	Description	Recommendations	Risk Level
	processes in the event both facilities are unavailable, and data processing capabilities are disrupted. The colocation (Endeavor) and the Mililani Service Center (MSC) data centers that currently contain the organization backups are located at less than 18 miles from each other. Significant business disruption may occur in telecommunication or extended power loss is experienced in that geographical area.		

PHYSICAL CONTROLS

Control	Description	Recommendations	Risk Level
Physical Access Control	Access to CHURCH and SHELTER data center and server rooms is not properly restricted, most people from IT and InfoSec have access to the company critical assets. That increases the risk off misusage, modification or unauthorized access to sensitive information. The video cameras footage for CHURCH is being retained for only 75 days.	Access to the company sensitive locations (data centers and server rooms) should be assigned on a least privilege basis, and access to these sensitive areas should be reviewed at least every 90 days. Video camera footage should be retained according to PCI DSS regulatory compliance requirements (minimum 90 days online).	**Low**

SECURITY CONTROLS

Control	Description	Recommendations	Risk Level
Access Controls and Password Management	Terminated employee accounts are still active in the following systems: Active Directory (AD), RSA, and Virtual Private Network (VPN). The organization password policy is not being enforced at the local database level; the local database administrator's activities are not being audited.	Termination review should be performed at least every 90 days by requesting the monthly termination report from Human Resource (HR), and compare the HR termination list against AD user list, and the user list of all the systems that are not integrated with AD. Enforce the organization password policy for the local database user, and ensure that the activities of the local administrators are being audited. Additional guidelines available in PCI DSS version 3 requirement 8.1.4 and NIST 800-118 DRAFT Guide to Enterprise Password Management.	**High**
Missing Patches and Updates	Internal vulnerability scans revealed significant vulnerabilities for the servers and workstations.	Patches and updates should be tested and applied regularly to all the systems. A total of 6255 vulnerabilities were detected during the vulnerability scanning process. An excel file with the full listing of all missing patches is being provided to aid with the vulnerability mitigation process. Best practices and additional guidelines available in NIST 800-40 Creating a Patch and Vulnerability Management Program.	**High**
Mobile Device Management Controls	Users are allowed to save the bank documents on their handheld devices unencrypted. The Blackberry Enterprise Server is running an outdated software version (5.0.3 bundle 33).	A mobile device policy should be implemented to prevent users to save the organization documents on their handheld devices. Apply the latest updates or upgrade to a more recent Blackberry Enterprise Server version to support the organization information security policy requirements. Best practices and additional guidelines available in NIST 800-124 Guidelines for Managing the Security of Mobile Devices in the Enterprise.	**High**

SECURITY MANAGEMENT

Control	Description	Recommendations	Risk Level
Strategic Planning	Evidence of annual planning was found to be in place, nevertheless there is no formalized or documented long-term strategic plan besides the annual planning exercise.	The strategic security plan is the organization's vision that span over several years which main security objective would be to optimize between policy that defines the minimum controls - giving best time to market, minimum cost and maximum business enablement - while keeping residual risk below an acceptable threshold. We recommend CLIENT to formalize and document a strategic plan that continues the secure operation of the network supporting critical infrastructure. This strategic plan should incorporate security and provide guidance to the organization over a period of time to ensure a secure environment. In this process include management, stakeholders, supporting personnel, and subject matter experts. This plan should be used when making tactical decisions. The U.S Government Accountability Office provides relevance guidance in this area.	**High**
Backup	Backups are being kept at both data centers (Endeavor and MSC). However, the two data centers are located on the same Village within 18 miles apart from each other. The close proximity of the backups retention facilities present a potential risk that the organization might lose all is information and recovery capability in case of a major natural disaster on the village.	Partner with a managed service provider for your offsite data protection needs, and send your data to a secure location off the village or in the cloud. Ensure that provider satisfy NIST 800-123 Guide to General Server Security.	
Configuration Management	Most of the configuration standards are not properly documented. The available written configuration standards are not addressing well known security vulnerabilities, and they are not consistent with any industry accepted system hardening standards.	Configuration standards should be created and implemented for all system components on the company environment according to industry best practices. Best practices in this area are defined in NIST 800-70 National Checklist Program for IT Products: Guidelines for Checklist Users and Developers. The National Checklist Program Repository contains configurations standards for most IT systems.	

Control	Description	Recommendations	Risk Level
Data Management Practices	There is no formal data retention policy in place. Without a formal data retention policy the organization will not be able to comply with the regulatory compliance requirements.	A comprehensive data retention policy should be created. It should include retention requirements related with compliance efforts. Some best practices in this area are defined in NIST 800-123 Guide to General Server Security.	
Separation of Duties	Accesses to critical infrastructure equipment are not properly restricted, and a single resource could potentially compromise the entire environment. The current overlap in duties and the lack of well-defined responsibilities increase the exposure risk of the bank critical assets.	Access to the critical assets should be assigned on a least privilege basis. Responsibilities must be clearly defined and formally assigned. These responsibilities must be separated in a way that protects the environment from any single threat actor. Best practices in this area are defined in NIST 800-14 Generally Accepted Principles and Practices for Securing Information Technology Systems.	

TECHNICAL CONTROLS

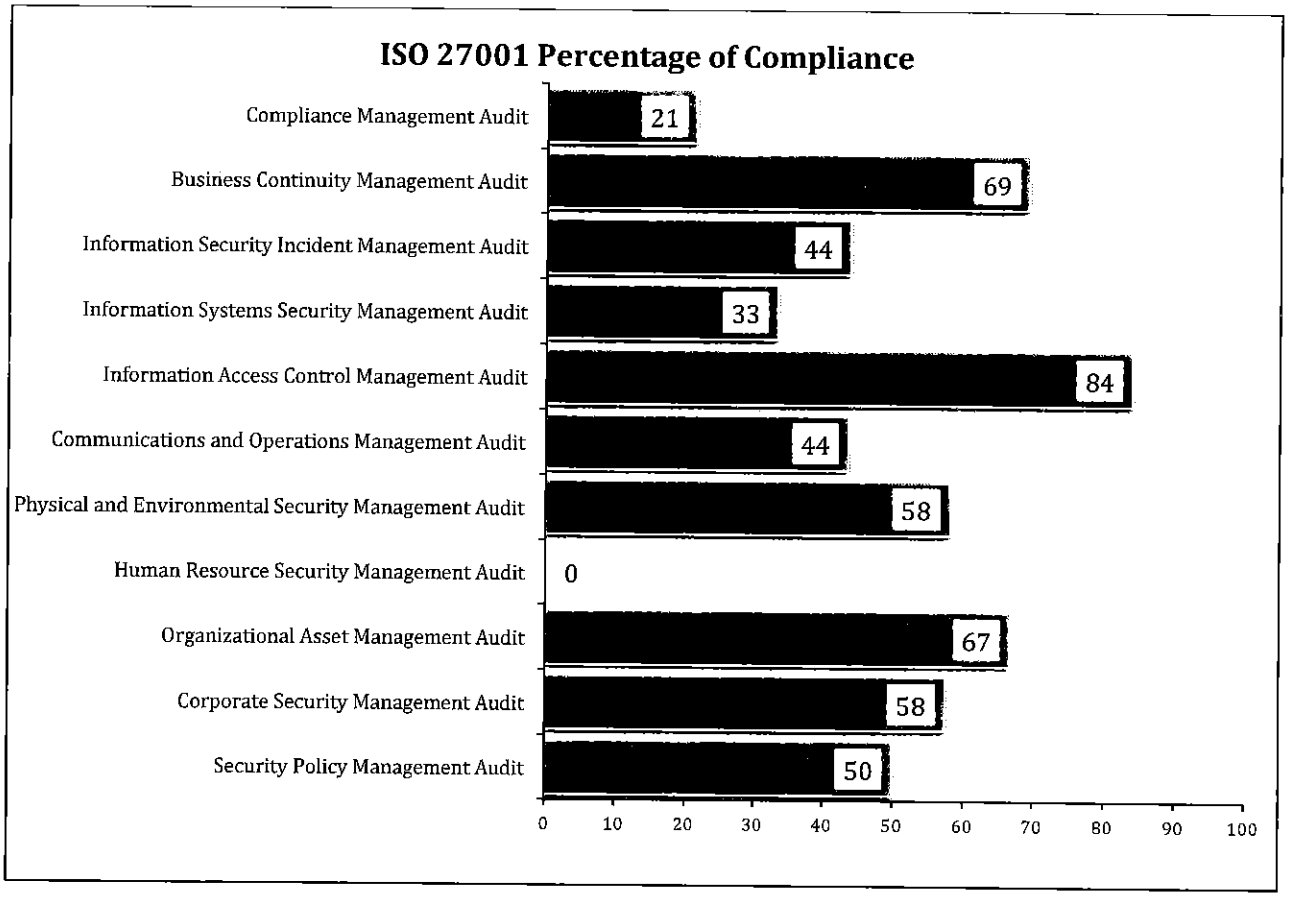
Control	Description	Recommendations	Risk Level
Remote Access for Employees	Remote access (VPN) is currently using dual factor authentication RSA. These RSA secondary authentication accounts are created manually, and they are not integrated with Active Directory. There are terminated employee accounts still active on the system.	RSA accounts should be integrated with Active Directory to facilitate account management and monitoring process. Monthly termination review should be performed to validate that all terminated employee accounts are being removed on a timely manner. Best practices are available in NIST 800-46 Guide to Enterprise Telework and Remote Access Security.	**High**
Network Isolation, Segmentation	The network traffic from the different locations and data centers within the CLIENT internal LAN are not being filtered for incoming, nor outgoing traffic. There are no firewalls between the locations and the data centers. Environments are not properly segmented and critical network areas are not properly isolated.	The current design is not following industry best practices. CLIENT should have each location, each data center filter all the traffic within the organization's internal LAN. CLIENT should consider separating, securing, and isolating domains based on location and business priorities. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	
Network Security Administration and Monitoring Practices	CLIENT's Cisco Secure Access Control Server (ACS) is not integrated with Active Directory. All accounts are manually entered into ACS. Terminated employee accounts and suspended control groups are still active in the system. Active accounts for users not belonging to the network engineering group were also identified, for example support and administration group user accounts. The syslog log server within Solarwinds is receiving logs from the network devices and servers regularly. These logs are not being reviewed on a regular basis. The logs are manually being reviewed only when there is a security incident. Thus monitoring of logs from network devices and servers is for the most part a manual reactive process.	Cisco Secure Access Control Server (ACS) should be integrated with Active Directory or equivalent that takes into account up-to-date users' account status. In addition, the RSA Secure Authentication Server should be tied to the CLIENT Active Directory server. Active monitoring of all network devices and servers security event logs by a syslog server should be implemented. As well as a monitoring utility solution capable of creating and sending alerts by pre-defined events and security incidents. The overarching goal is to be less reactive and more proactive in terms of monitoring. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	

Control	Description	Recommendations	Risk Level
Network Device Configurations for Firewall, Switch and Router review.	There are no current documented configuration standards for the network devices. The available documented standard is from 2010, and the standard is not following industry best practices. The insecure protocol telnet is being allowed in all the network devices. Terminated employee accounts are disabled instead of being completely removed from the Cisco Secure Access Control Server (ACS).	A standard image should be created and deployed for each network devices types. All insecure protocol should be removed in favor of secure shell (SSH) v2. Terminated employee accounts should be completely removed from the ACS. A separate document with best practices is being provided to assist with these areas. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	**Low**
Network Operating Systems and Systems Control Software	There are no documented network operating systems configuration standards.	Network operating systems configuration standards for all network devices should be created based on vendor security bulletins, and industry best practices. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	**Low**
Network operating systems and systems software configuration controls	The systems configurations are not current with industry or vendor best practices. Network devices configuration standards are not documented.	Configuration standards for all network devices, servers, and workstations based on industry best practices should be created. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	**Low**
Network VoIP Systems, Call Center Management	All VOIP calls are stored locally to the specific CSR's desktop, the files are encrypted, but with self-signed certificates. This design is problematic as there is no central call recording server, nor backups.	Implement a centralized VOIP management, storage and backup solution. The solution should account for security features such as encryption and key management. In addition the solution should be compatible with Active Directory and re-use AD authentications services. Typically the network engineering group should be supporting this application and all the VOIP equipment. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	**Low**
Platform Review	The internal security vulnerability scanning results show that a significant amount of security vulnerabilities are not being addressed, or patched.	An CLIENT internal security vulnerability scanning program must be developed to identify the total scope of security vulnerabilities for all systems and total patch effort needed throughout	**Low**

Control	Description	Recommendations	Risk Level
	Then current patching effort is not meeting the needs and requirements of the assets deployed in CLIENT.	the organization. Coupled with a security policy, governance standards and operational guidance programs to develop programs to address the significant patching program shortfall. Patching solutions should take into account Non-Microsoft related patches. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	
Port Usage	Vulnerability scanning results revealed that there are a significant number of uncommon ports being used in a large number of systems (445, 3389, 135, 139, 137, 123, 4500, 500, 138, 47001, 5985). In addition network configuration reviews revealed that all auxiliary (AUX) and console ports are configured without Authentication, Authorization and Accounting (AAA), or Terminal Access Controller Access-Control System (TACACS).	Restrict access to uncommon ports to be accessed only by authorized applications and users. All switch ports, as well as AUX and Console ports should have AAA implemented on them. As well as integrating Cisco Secure Access Control Server (ACS) with Active Directory. The need for local accounts should also be reviewed. NIST 800-41 (Guidelines on Firewalls and Firewall Policy) provides comprehensive guidelines in this area.	**Low**
System Configurations	The few documented configuration standards that exist are several years old.	Network devices, server and workstation configurations standards should be created according to current industry best practices. System configurations management should be created according to industry best practices. NIST 800-53R4 (Security and Privacy Controls for Federal Information Systems and Organizations) provides comprehensive guidelines in this area.	**Low**

COMPLIANCE SUMMARY

The basis of this assessment is rooted in the International Standards Organization's ISO/IEC 27001 standard for Information Security Management Systems (ISMS). This standard represents the formalization of information security industry best practices. Interviews with personnel, direct sampling, physical observation, document review, and technical testing were used to assess the environment against the standard. Some areas were excluded from this analysis per CLIENT's request: Human Resources and third party vendors. The results of the testing is summarized in the following graphics:



CONCLUSIONS

The current state of technical controls, security policies, governance standards and operation guidelines that CLIENT is using is not 100% adequate for their business type and inherent risks. The Information Security Policies do not address current industry best practices and recognized frameworks requirements or compliance.

The InfoSec team and most CLIENT personnel understand the importance and the critical nature of information security to the organization and the overall business. However, without proper administrative controls and formalization of the security and risk management processes, the current state of security within the organization could change drastically for the worst within a short period of time. Without standardized processes for personnel to follow, the individual is personally responsible for the implementation of security.

The outcome of these decisions will reflect the level of knowledge of the individual instead of being required to meet the organization's formalized information security standard.

This security risk assessment marks a step toward a mature, consistent, and secure organization. The processes of performing assessments and remediating findings allows an organization to evolve towards a more organized, cohesive and defensible position. CLIENT is taking the correct approach in identifying the need for assessment and improvement. By implementing the remediation suggestions in this report, CLIENT will be well on its way toward a secure organization.

The success of this report is due in great part to the extensive collaboration that the InfoSec team at CLIENT has provided Terra Verde by allocating the necessary resources to complete this assessment. The CLIENT technical staff was receptive, collaborative, creative and insightful; to them our sincere gratitude.

OBJECTIVES AND SCOPE

The objective of this assessment was to conduct a detailed risk assessment of the CLIENT IT security environment. The risk assessment was a comprehensive review of the department's administrative, technical, and physical security controls. We reviewed the culture and training of the employees through interviews and questionnaires. We gathered detailed technical information about the environment in order to determine gaps and deficiencies in security controls. As part of the engagement, we reviewed the CLIENT IT security against the ISO 27001 security standard and detail our findings in this report.

Through our review and analysis we sought to accomplish two primary objectives: provide CLIENT an understanding of possible risks associated with any control gaps, and provide recommendations to remediate the identified gaps.

Each of the areas of review has its own types of documentation, interviews, and evidence. In the following sections we detail what these items are and how they aided us in our determinations.

ADMINISTRATIVE CONTROLS OBJECTIVES

Administrative controls are the backbone of a successful information security program. Administrative controls provide the governance, rules, and the organization's expectations as to the importance of information and how it will be protected. Without proper governance, an organization will never create a culture focused on the security of its assets.

Terra Verde conducted a full review of the administrative controls within CLIENT IT Department. During the review process, we performed the following:

- Evaluated and assessed the existence of and practices for enforcement of the organization's security policies and controls for information technology systems.

- Reviewed the following areas:
  a. Security Policies
  b. Security Awareness
  c. Risk Management
  d. Strategic Planning
  e. Incident Response

- Reviewed the CLIENT Information Security Policies to ensure completeness and:
  a. Provide evidence that the policy addresses the IT department's current vulnerabilities, risk levels, and provides flexibility for future technological risks, business and security strategies.
  b. Outline enforcement strategies with a list of technologies that will help to enforce the tenets of the policy.

- Determined which security policies are not developed or in place.

As part of the administrative controls assessment, Terra Verde reviewed the following policies from CLIENT:

- Business Continuity Management Policy_2013-05-07
- BIA Mgmt Committee Report_Long Version FINAL 20130812 ZP
- CLIENT Disaster Recovery Plan v2_2014-03-30
- CLIENT Incident Response Plan--rev-09-09-2013
- Backup and Restore Policy_2013-12-01

- Risk_Assessment_Policy - 2013-03-14
- Info Security Risk Assessment 2013- Monitise (undated)
- 1300-11 Information Security - Training and Staff Awareness - 2009-12-11
- Annual User Awareness Training 1-16-14
- Exhibit B - Information Security - Strategic Plan- 4-22-13-c
- Proposed Future Strategy Plan – 2014 (undated)
- Additional assorted documentation with various levels of applicability to this assessment

Terra Verde evaluated the provided documentation, reviewed the policies and procedures implemented in the environment, and interviewed employees and management. Through this process we were able to evaluate the efficacy of administrative controls currently implemented and discover gaps requiring immediate attention.

TECHNICAL CONTROLS OBJECTIVES

Organizations use technical controls to provide automated protection to systems and applications. Technical controls can consist of hardware or software and are implemented so that a system performs in a specific and repeatable manner. Just as administrative controls provide guidance to people so that tasks are performed in secure and consistent ways, technical controls provide security features for your systems for the same purpose.

As part of this assessment, Terra Verde performed a review of technical controls implemented on in-scope systems and networks. Some of the controls reviewed include the following:

- Access controls and password management
- Encryption of sensitive data during transmission
- Network locations with access to sensitive data
- Patching and updates
- Network device administration
- Systems administration
- Network operating systems
- Software configuration controls
- Network security monitoring
- System security monitoring
- Network topology
- Operating system platforms
- Port usage
- Available network services
- System processes and services
- System configuration
- Internet access and URL filtering

Auditing technical controls requires the use of various system, network, and security tools. During the process we retrieved configurations for network devices, and logged on to servers and work stations to assess their configurations. This review helped us identify insecure services and configurations for in-scope systems.

We performed network vulnerability scanning against some selected approved network targets which cover the most critical locations of CLIENT. The networks scanned included subsets of the following:

Network	Subnets
Mililani Service Center-Data Center Subnet	10.100.X.X/16
Endeavor Data Center-Co-Location Subnets	10.99.X.X/16
Financial Plaza of the Pacific Subnets	10.101.X.X/16

Through our network vulnerability scanning, network and systems audits, and review of network topology and data flows, we were able to successfully audit the environments technical controls and provide suggestions for improvement.

PHYSICAL CONTROLS OBJECTIVES

Physical security controls are implemented to protect systems, people, and property from unauthorized access or theft. CLIENT has data centers, server rooms, facilities, and other property that must be protected from unauthorized physical access.

We reviewed restricted areas, authorization methods, and controls. This included an assessment of all areas that should be considered sensitive. We reviewed the placement of cameras and the physical access control mechanism in use at the perimeter of the facilities and entry into sensitive areas. We observed the processes and procedures for gaining access to sensitive areas containing network devices, and systems.

The assessment included a review of motion detectors, physical intrusion detection systems, sensors, and alarms. We evaluated the existence and operation of burglar detection systems and the placement of their sensors.

Finally, we reviewed fencing, security guards, and security badge types. We evaluated the type and location of the perimeter fencing in use, and the location of security personnel.

SECURITY MANAGEMENT PRACTICES

Risk is the likelihood that something bad will happen that causes harm to or loss of an informational or physical asset. Risk management is the set of practices to identify, classify, mitigate, and accept risk. There are many assets within CLIENT that require security and risk management. Information security systems and physical facilities are all assets of the organization that need to be protected and evaluated for risk.

Terra Verde review of security management practices included analysis of the following areas:

- Access to information
- Defined roles and responsibilities
- Separation of duties
- Remote access
- Antivirus management
- Logging and monitoring
- Configuration management
- Recovery capabilities
- Data management practices
- Risk Management

Beyond the assessment of the controls used to mitigate risk, Terra Verde assessed the organizations overall processes for identification and quantification of risks to the organization. We reviewed areas where risks had not been addressed and where risk had been accepted. We also reviewed the organizational structure and conducted interviews to identify who within the organization is authorized to accept risks.

SCOPE

The scope of this assessment included all physical locations and information systems. Samples were taken of each of the populations to ensure coverage of personnel and systems. Items sampled included the following:

Description	Qty
Physical locations	3
Interviews	15
Documents and Policies	132
Windows 2000	1
Windows 2003	55
Windows 2008	92
Windows 2012	33
Windows 7	22
Windows 8	2
Routers	13
Switches	19
Firewall	6
VPN endpoints (ASA FWs)	4

Interviews with personnel included a review of administrative, technical, and physical controls, and security management practices. Terra Verde did not interview all personnel within IT and InfoSec; however the individuals interviewed were sufficient to cover all the required areas.

Interviewee	Title	Date
Amy Koga	Information Security Senior Analyst	4/2/2014
Alfred Silva	Director of Tech Operations	4/3/2014
Alan Hironaka	SR Technology Administrator	4/3/2014
Raymond Doherty	Lead Network Engineer	4/3/2014
Daniel Porter	Lead Technology Administrator	4/3/2014
Owen Sumikawa	SR Technology Administrator	4/3/2014
Daniel Porter	Lead Technology Administrator	4/7/2014
Steven Muraoka	Technology Solutions Manager	4/7/2014
Jamie Dunlap	Technology Solutions Manager	4/8/2014
Jessica Coloma	Technology Customer Support Manager	4/9/2014
John O'Boyle	Director of Technology Risk	4/9/2014
Rick Robel	EVP - Operations & Technology	4/9/2014
Owen Sumikawa	SR Technology Administrator	4/10/2014
Raymond Doherty	Lead Network Engineer	4/10/2014
Amy Koga	Information Security Senior Analyst	4/10/2014

TERRA VERDE
INTEGRITY • EXPERIENCE • VALUE

LOCATIONS

1. **Endeavor**: 2339 Kamehameha Hwy, Honolulu, HI 96819
2. **Financial Plaza of the Pacific:** 915 Fort Street Mall, Honolulu, HI 96813
3. Mililani Service Center: 200 Kahelu Ave, Mililani, HI 96789

FINDINGS AND RECOMMENDATIONS

ADMINISTRATIVE CONTROLS

DESCRIPTION

The administrative controls include policies, governance and set the standard for Human Resource (HR) management. They also drive the technical controls required and outline how to implement and secure the IT infrastructure.

ANALYSIS

The biggest administrative control challenge for CLIENT is to resume operation in case a major disaster strikes the village. The present data redundancy layout is using two data centers within 18 miles from each other to hold the organization data backups. This layout is questionable, and does not take into account the survival of the organization in case of a major natural disaster on the village. In addition to that, the incident response team member contact list is not up to date. Without proper escalation procedures and prompt incident response capabilities even low probability threats can cause significant damages to CLIENT's. The next administrative control challenge for CLIENT IT staff is proper governance. At present day-to-day operations are handled in an ad hoc non-strategic methodology without formal procedures or oversight. The lack of formal procedures to follow will introduce risk around those with a lack of concern or awareness of security.

While some individuals are taking security seriously and doing due diligence to assess risk while implementing new technology, this is performed in an ad hoc fashion not conducive to repeatability. Furthermore, the security policies that do exist have not been updated or approved by management recently. Procedures are not documented, and there is no alignment between the actual process and the security policy.

Terra Verde reviewed the administrative controls in place for CLIENT and found that the following deficiencies exist:

- Incident Response Plan is not being properly maintained, terminated team members' information are still listed on the incident response team contact list. Failure of keeping the contact list up to date may impact the effectiveness of the plan. Without proper escalation procedures and prompt incident response capabilities even low probability threats can cause significant damages to CLIENT.
- Policies and procedures have not been reviewed nor updated for the past 2-3 years. These policies and procedures are incomplete and do not adequately ensure administrative security of the environment. There are a total of 23 policies/procedures that are outdated, and a few others that are not available. The lack of formal procedures will promote ad-hoc behavior. A formal overarching strategic plan for IT and IT security is non-existent
- BCP and DR plans do not take into account that the close proximity of the data centers and disaster recovery site present a potential risk of continuation of critical business processes when a disaster strikes the village, and destroys data processing capabilities. Incident response plan is not being updated after major environmental and personnel changes.

RECOMMENDATIONS

CLIENT will need to evolve their information security administrative controls and policies to a level requisite with the criticality of the services they provide and support. They must move from the current ad hoc status quo to a strategically planned and risk assessed methodology for day-to-day operations.

- Incident Response Plan should be kept up-to-date and reviewed annually and after any major environmental and personnel changes. It is highly recommended by industry best practices to update the incident response plan when new legislation passes (state, federal, and industry regulators), when response team members leave the company, when new vendors join the process, and when new security procedures are implemented.
- A cohesive information security policy should be authored to guide staff and managers in keeping the network secure and available. The security policies should cover of all personnel, processes, and technologies, and should follow industry best practices. Policies and procedures should be kept up-to-date and reviewed annually and after any major environmental and personnel changes. Procedures should be the concrete realization of the policy principles. The procedures should detail the actual process or work steps that accomplish the objectives of the policies.
- The security policy should include standard build and configuration standards for both systems and networks including approved hardware and software and based on ISO 27002 standards.
- Document and implement procedures for the day to day operations. Employees should be familiar with and followed the written procedures to perform their duties.
- As part of the security policy, network diagrams should be reviewed and updated at least annually or after any significant changes on the network.
- Justify and document all allowed network access across network devices
- Engage a security professional to participate in the drafting of policies, review network and system configurations, provide over-sight of environment changes, and assess organizational risk of critical systems and networks.
- An approved software list should be maintained and adhered to. Only software from this approved list should ever be deployed in the sensitive CLIENT network.
- A strategic plan should be developed to ensure the secure operation of the network supporting critical infrastructure. This strategic plan should incorporate security and provide guidance to the organization over a long period of time.
- The business impact analysis should be used to assess the impacts, effects and loss that might result if the organization were to suffer a major Business Continuity Emergency, Event, or Incident which the current disaster recovery and backup plans. Primary and disaster recovery sites should be preferably in different seismic zones as it will help to curb issues arising from various seismic activities. Back-up arrangements should be as far away from the primary site as necessary to avoid being subject to the same set of risks as the primary location. A geographically dispersed recovery strategy should be considered, for instance having DR site/information backups in the US mainland. Partner with a managed service provider for your offsite data protection needs, and send your data to a secure location off the village or in the cloud. Incident Response Plan should be kept up-to-date and reviewed annually and after any major environmental and personnel changes.

TECHNICAL CONTROLS

DESCRIPTION

Technical controls are the technologies that enforce administrative controls.

ANALYSIS

The following issues and exceptions were identified in regard to the network configuration, and configuration management:

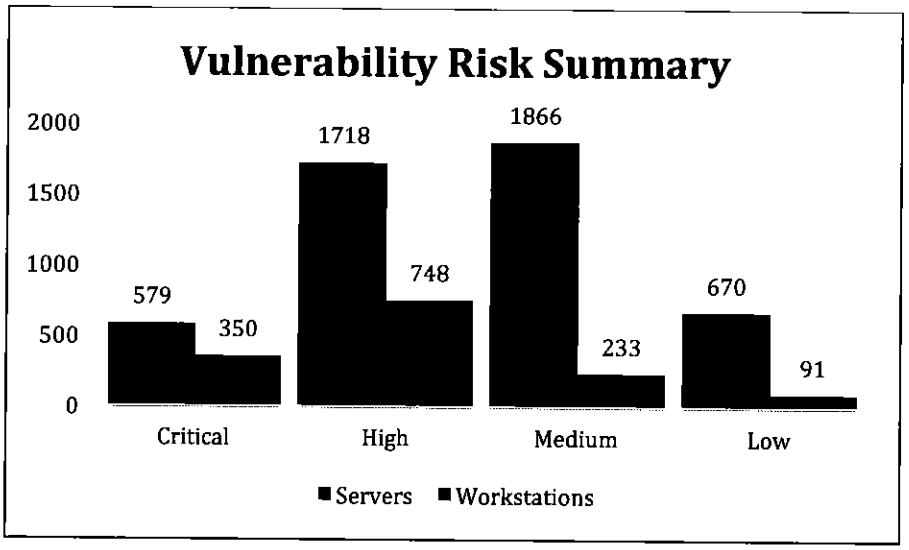
- Terminated employee accounts are still active in Active Directory, RSA, and Virtual Private Network (VPN). The organization password policy is not being enforced at the local database level; the local database administrator's activities are not being audited.
- Users are allowed to save the bank documents on their handheld devices. The Blackberry Enterprise Server is running an outdated software version (5.0.3 bundle 33).
- There are no current documented configuration standards for the network devices. The available documented standard is from 2010, and the standard is not following industry best practices. The insecure protocol telnet is being allowed in all the network devices. Terminated employee accounts are disabled instead of being completely removed from the Cisco Secure Access Control Server (ACS).
- The network traffic from the different locations and data centers within the CLIENT internal LAN is not being filtered for incoming, nor outgoing traffic. There are no firewalls between the locations and the data centers.
- CLIENT's Cisco Secure Access Control Server (ACS) is a standalone system; it is not integrated with Active Directory. All accounts are manually input into the ACS. Terminated employee accounts are still active in the system. Suspended control groups are still active. Active accounts for users not belonging to the network engineering group were also noted, for example support and administration group user accounts. The Syslog log server within SolarWinds is receiving logs from the network devices and servers regularly. These logs are not being reviewed on a regular basis. The logs are manually being reviewed only when there is a security incident. Thus monitoring of logs from network devices and servers are for the most part a manual reactive process.
- All VOIP calls are stored locally to the specific CSR's desktop, the files are encrypted, but with self-sign certificates. This design is problematic as there is no central call recording server, nor backups.
- CLIENT servers have significant vulnerabilities based on the results of the internal scans. Windows systems are being patched on a schedule, but non-Windows systems patching are not consistent.
- All Auxiliary (AUX) and Console ports are configured without Authentication, Authorization and Accounting (AAA), or Terminal Access Controller Access-Control System (TACACS).
- The few documented configuration standards that exist are several years old.
- There are no documented network operating systems configuration standards.
- The configuration standards are not current with industry or vendor best practices. Network devices configurations are very consistent, but the configuration standards are not documented.
- RSA accounts are created manually, and they are not integrated with Active Directory. Terminated employee accounts are still active on the system.
- Internal vulnerability scans revealed significant vulnerabilities for the servers and workstations.

RECOMMENDATIONS

- Termination review should be performed at least every 90 days by requesting the monthly termination reports from HR, and compare the HR termination list against Active Directory user list, and the user list of all the systems that are not integrated with Active Directory. Enforce the

organization password policy for the local database user, and ensure that the activities of the local administrators are being audited.

- A mobile device security policy should be implemented to prevent users to save the organization documents on their handheld devices. Apply the latest updates or upgrade to a more recent Blackberry Enterprise Server version to support the organization information security policy requirements.
- A standard image should be created and deployed for each network devices types. All insecure protocol should be removed in favor of Secure Shell (SSH) v2. Terminated employee accounts should be completely removed from the Cisco Secure Access Control Server (ACS). .
- The current design is not following industry best practices. CLIENT should have each location, each data center filter all the traffic within the organization internal LAN. CLIENT should consider separating, securing, and isolating domains based on location and business priorities. The classic 80/20 rule, keeping 80% of traffic local with IP traffic segmentation and firewalls. 20% of IP traffic traversing between locations, internal LAN domains. Or the inverse, 20% of traffic traversing the CLIENT internal LAN, with 80% staying local.
- Cisco Secure Access Control Server (ACS) should be integrated with Active Directory and CLIENT should develop a Single Sign-On (SSO) authorization and authentication system. In addition, the RSA Secure Authentication Server should be tied to the CLIENT Active Directory server. Active monitoring of all network devices and servers security event logs by a syslog server should be implemented. As well as a monitoring utility solution capable of creating and sending alerts by pre-defined events and security incidents.
- The Unified Call Manager (UCM) application account generation should be integrated with Active Directory to facilitate user account maintenance. Network Engineering should be supporting the application and the equipment. The overall security policy, governance standards, and operational guidelines should be revised and updated for the network devices, servers, and workstations. All switch ports, as well as Aux and Console Ports should have Authentication, Authorization and Accounting AAA implemented on them. As well as integrating Cisco Secure Access Control Server (ACS) with Active Directory. The need for local accounts should also be reviewed. Network devices, server and workstation configuration standards should be created according to current industry best practices. System configuration management should be created according to industry best practices.
- Network operating systems configuration standards for all network devices should be created based on vendor security bulletins, and industry best practices.
- Configuration standards for all network devices, servers, and workstations based on industry best practices should be created.
- RSA accounts should be integrated with AD to facilitate account management and monitoring process. Quarterly termination reviews should be performed to validate that all terminated employee accounts are being removed on a timely manner.
- Patches and updates should be tested and applied regularly to all the systems.
- IDS/IPS effectiveness and vendor's adherence to SLAs should be reviewed. Vendors' reviews were outside of the scope for this analysis, nevertheless lack of positive observations on this area compelled us to suggest a revision.



Top Critical IPs	Critical	High	Medium	Low
Servers				
10.99.130.43	34	8	70	5
10.100.35.35	32	34	58	6
10.100.36.88	30	52	18	6
10.100.35.104	26	44	16	4
10.100.35.92	24	36	14	8
10.100.35.19	22	42	12	4
10.99.130.46	12	16	44	8
10.99.130.178	2	56	36	10
10.102.35.17	1	19	56	21
10.110.0.9		49	27	4
Workstations				
10.101.18.120	16	46	13	4
10.101.17.103	16	107	27	4
10.100.18.140	16	38	11	4
10.101.17.150	16	45	12	4
10.101.18.135	15	41	12	4
10.101.18.183	15	44	11	3
10.101.18.179	15	44	12	4
10.101.17.199	15	41	12	4
10.100.17.137	15	40	12	4
10.101.106.70	15	42	12	4

PHYSICAL CONTROLS

DESCRIPTION

Physical controls prevent unauthorized physical hands-on access to IT infrastructure and critical systems.

ANALYSIS

CLIENT shows proficiency in this area. All the sensitive areas are protected and locked, human access is restricted, doors are equipped with card readers, and there is adequate visibility via CCTV. However, the CCTV footage for CHURCH and SHELTER is currently being retained for 75 days, and almost all the personnel from IT and InfoSec groups have access to CHURCH data center and SHELTER server room.

RECOMMENDATIONS

Video camera footage should be retained according to regulatory compliance requirements (minimum 90 days online). Access to the company critical locations (data centers and server rooms) should be assigned on a least privilege, limited access basis and access to these critical areas should be reviewed on a monthly basis.

SECURITY MANAGEMENT

DESCRIPTION

Risk management is the set of practices to identify, classify, mitigate, and accept risk. This area also covers employee responsibilities regarding risk management and secures operating procedures.

ANALYSIS

Successful maintenance of a secure environment requires a clear overarching direction from management. There is no formalized or documented long term strategic plan.

Access to information is not regulated through industry standard access control (Microsoft's Active Directory). RSA accounts are created manually, and they are not integrated with Active Directory. Terminated employee accounts are still active on the system.

Separation of duties is not properly managed by CLIENT IT department. Most IT personnel and InfoSec personnel have access to CHURCH (77) and SHELTER (38) data center and server rooms. Accesses to the critical infrastructure equipment are not properly restricted, and a single resource could potentially compromise the entire environment. The current over-lap in duties and the lack of well-defined responsibilities increase the exposure risk of the bank critical assets.

Most of the configuration standards are not properly documented. The available written configuration standards are not addressing all known security vulnerabilities, and they are not consistent with any industry accepted system hardening guidelines or standards.

The organization does not have a formal data retention policy. Regulatory compliance retention requirements are not being addressed or are not formally documented.

Backup is one of the biggest concerns for CLIENT IT department. While backups are being performed on a daily basis, and are being replicated in two locations, the organization data backups are currently being held at Endeavor data center and CHURCH data center. These two data centers are located at less than 18 miles away from each other on a Village.

RECOMMENDATIONS

Formalize and document a strategic plan that significantly enhances the secure operation of the network supporting critical infrastructure. In this process all relevant stakeholders should be included as well as business and information technology (IT) management. In addition, include InfoSec, IT engineering, operations personnel, and subject matter experts (SME). This plan should be used when making tactical decisions.

RSA accounts should be integrated with Active Directory to facilitate account management and monitoring process. Monthly termination review should be performed to validate that all terminated employee accounts are being removed on a timely manner. Termination review should be performed at least monthly by requesting a monthly termination report from HR, and compare the HR termination list against AD user list, and the user list of all the systems that are not integrated with AD.

Job duties and responsibilities should be formalized and documented. Separation between roles should be controlled administratively. Access to the organization's critical infrastructure should be provided on a least privilege basis. Responsibilities must be clearly defined and formally assigned. These responsibilities must be separated in a way that protects the environment from any single threat actor.

Configuration standards should be created and implemented for all the system components on the company environment according to industry best practices.

A comprehensive data retention policy should be created by including the retention requirements from all the regulatory compliance that the bank has to comply with.

Backups should be taken to a secure location to the US mainland, or a cloud solution should be implemented. CLIENT should partner with a managed service provider for its offsite data protection needs.

APPENDIX I: RISK CALCULATION AND CLASSIFICATION

The final risk value of the vulnerability identified is arrived at by taking into account the likelihood of occurrence of an attack by exploiting the vulnerability and its impact on business functions. Vulnerability analysis was computed utilizing the Common Vulnerability Scoring System (CVSS) 2.0 maintained and sponsored by the Department of Homeland Security's United States Computer Emergency Readiness Team (US-CERT).

Following is the risk classification description:

CVSS Score	Risk Severity	Description	Remediation Guidance
9.0 Through 10.0	Critical	Vulnerabilities which can be exploited publicly, workaround or fix/ patch may not be available by vendor.	These vulnerabilities must be fixed to pass PCI compliance. Organizations should take a risk-based approach to correct these types of vulnerabilities, starting with the most critical ones (rated 10.0), followed by those rated 9, 8, 7, etc., until all vulnerabilities rated 4.0 through 10.0 are corrected.
7.0 Through 8.9		Vulnerabilities which can be exploited publicly, workaround or fix/ patch available by vendor.	
4.0 Through 6.9	Medium	Vulnerabilities may not have public exploit (code) available or cannot be exploited in the wild. Patch/ workaround not yet released by vendor.	
2.0 Through 3.9		Vulnerabilities may not have public exploit (code) available or cannot be exploited in the wild. Vulnerability observed may not have high rate of occurrence. Patch/ workaround released by vendor.	These vulnerabilities are not required to be fixed to pass PCI compliance. Organizations are encouraged, however, to correct these vulnerabilities.
0.0 Through 1.9		No direct threat to host/ individual user account. But can relevant and sensitive information to attacker.	

APPEDIX C: SAMPLE READINESS LETTER

Paper copy attached

TERRA VERDE SERVICES

7400 EAST PINNACLE PEAK ROAD
SUITE 100
SCOTTSDALE, ARIZONA 85255
OFFICE: 877-707-7997
FAX: 864-752-3491

April 19th, 2013

<NAME>
<TITLE>
<COMPANY>
<ADDRESS

Re: <COMPANY> Vulnerability Assessment and Penetration Test

Dear <NAME>:

Please accept this letter as an indication that <COMPANY> has been assessed by Terra Verde Services.

In <DATE>, <COMPANY> engaged TVS to perform a web application assessment, vulnerability assessment, and penetration test of <COMPANY>. TVS began the assessment on <START DATE> and conducted information gathering, enumerations, vulnerability scans, web application vulnerability testing, penetration testing, data analysis, and reporting through <END DATE>. TVS also reviewed the <COMPANY> core web application against the OWASP TOP 10.

Following this review, TVS determined that <COMPANY> overall externally facing systems, networks, and web applications security posture is commensurate with industry best practice. We were unable to identify any critical or high-risk system, network, or web application vulnerabilities that would directly lead to an external compromise resulting in unauthorized access.

The conclusions of this letter are predicated upon the information provided by <COMPANY> during the time of this assessment. Terra Verde Services does not guarantee that controls will remain in effect, or effective, outside of this review process.

For the firm,

Edward Vasko
Managing Director
Terra Verde Services

ADDENDUM A: KEY PERSONELL

EDWARD VASKO, CEO/CO-FOUNDER

Executive Summary

Edward is an Information Technology Executive with 20 years of diverse management and technical experience with a core focus on Information Security. He has experience as a leader/manager of large, worldwide integration teams in the deployment of complex, distributed IT solutions for clients around the world. His experience as a business owner and executive manager coupled with his extensive work with a wide range of enterprise-level solutions allows him to bridge the operational and technical needs of clients. He has expertise in identifying technology risks and vulnerabilities. The advantage these skills bring to a client has been his ability to deliver efficient, state of the art solutions that provide high corporate value. He has delivered these solutions for a wide range of markets around the world.

Key Career Accomplishments

- "Serial entrepreneur" with experience starting five companies in the technology industry, each with significant (>100%) year-over-year growth.
- Interim VP of Infrastructure for worldwide organization with over 13,000 employees.
- Presented to NERC-CIP symposiums on the need for security controls and regulatory impacts to utility industry.
- Directed the deployment of distributed, multi-office security architectures for clients in the retail, government, financial services utilities and manufacturing industries.
- Created worldwide, distributed security architecture for support of over 190,000 users worldwide that included Single Sign-On, single token access to both physical and logical corporate points of entry and granular application access control mechanisms to over 30 disparate operating systems, applications and platforms.
- Managed large-scale (>$20M) worldwide projects with international teams.
- Implemented enterprise-level WAN-based Firewalls, Intrusion Detection Systems and Virtual Private Networks between international offices with field-level access control mechanisms for information access assurance.
- Published security expert and speaker at both national and international conferences.
- Developed, tested and implemented disaster recovery and business continuity programs for clients in the multiple industries.
- Managed EDI implementation and integration with client order processing system resulting in savings of over $2.5M.
- Developed and installed custom telephony solutions in the insurance, retail and financial services industries that integrated into back-office systems for seamless customer access to data.

Professional Experience

- CEO/President; CEV Acquisitions
- Jefferson Wells; Technology Risk Management Director, Desert Southwest
- Co-Founder/Director; NVC, Inc
- Authoriszor Inc.; Vice-President, North American Field Operations

- Authoriszor Inc.; Director, Technology
- Bull Worldwide Information Systems; US Security Manager
- Monolith Consulting; President/CEO

Education and Certifications

- Bachelor of Arts; Arizona State University
- Certified Information Systems Security Professional (CISSP)
- Certified Information Security Manager Pending Certification (CISM)
- International Information Systems Security Certification Consortium (ISC2); Member
- Computer Security Institute (CSI); Member
- Information Systems Security Association (ISSA); Member (Charter Member & past Treasurer, Phoenix Chapter)

SUZANNE FARR, CO-FOUNDER/COO

Executive Summary

A results-driven Management Executive with extensive Information Management and Technology experience including the design, development and delivery of cost effective, high performance applications, projects and programs as well as technology solutions to meet challenging business demands. As a certified project management professional, she has international and multi-site experience in leading technical and business functional teams through all phases of large-scale, integrated implementations including operational, organizational and outsourcing transitions. Her depth of experience includes significant business process development and management with a focus on performance management and improvement.

Key Career Accomplishments

- Project Manager for a major feature and function upgrade to a customized Oracle 11i combination of Order Management and Accounts Receivable for the world's largest marketing and trade show event company.
- Program Manager for System and User Acceptance Testing of Integrated Tax System for Arizona Department of Revenue. This system was a customized Oracle 11i application.
- Evaluated and audited SAP controls for segregation of duties and field-level controls for a large Fortune 500 retailer. Additionally, developed a multi-application matrix to allow for quick determination of cross-application segregation of duty issues and concerns for application owners to evaluate and accept or reject as needed.
- Member of SOX 404 project team for a manufacturer of national security and defense solutions, providing an appropriate portfolio of general computing controls as well as assuming a project management role in their ERP implementation. Additionally, developed and delivered comprehensive application controls documentation for a nationwide provider of technical education training.
- Managed the Infrastructure and Applications service delivery, as a provider and a client, for defense and semiconductor manufacturing and healthcare enterprise environments with annual budgets in excess of $100 million per year.
- Managed the planning and implementation of a Program Management Office with 50 Project Management Professionals including a service delivery model resulting in reduced project costs of $3million per year with improved project quality and accelerated time to market.
- Aligned and managed a cross-functional, multi-site program to provide product forecast information from Sales, Marketing and Engineering through a custom developed, integrated system realizing $7million in annual savings in spares and raw materials inventories.
- Managed several successful programs to migrate multiple, diverse accounting applications to common financial and accounting integrated platforms such as ROSS and SAP.

Professional Experience

- Jefferson Wells International – Engagement Manager, Technology Risk Management
- PacifiCare Health Systems; Senior Director, Information Technology
- Computer Sciences Corporation; Director, Program Management Office and Account Executive
- Affiliated Computer Services; Vice President, Application Solutions
- Allied Signal Corporation; Senior Manager, Information Systems
- Digital Equipment Corporation; Senior Group IT Manager and Business Systems Program Manager
- White, Weld & Company; NYSE and ASE Licensed Representative

Education

- B.S. Business Administration Bryant College
- B.F.A. Massachusetts College of Art
- Project Management Certification – University of California
- Accelerated Management Development Program – Babson College

CARLOS VILLALBA, VICE PRESIDENT, SECURITY SERVICES

Executive Summary

Carlos has over 18 years of solid IT experience. He has extensive experience designing, developing, managing and implementing security IT security solutions with its training and security components in compliance with IT security standards and best practices. Carlos's experience provides a unique combination of skills and knowledge. Carlos merged his experience into the academic world by designing and delivering instruction and training at the graduate, undergraduate and professional level while being an active IT security consultant. His experience includes Compliance Assessments, Pen-testing, IT security projects, DIACAP Training Design, Oracle database performance, Open Source Solutions for migration of Learning Management Systems and Database Management Systems. Expert knowledge level of Windows based platforms and Red Hat based systems. Solid experience with Active Directory, VPN, SharePoint, Oracle RDBMS, MS SQL, web application security, DNS, encryption, scripting, ISO17799 and PKI. He has provided services to the Air Force Research Labs, credit unions, universities, manufacturing companies and small businesses.

Key Career Accomplishments

- Principal Investigator on Metadata Study for Department of Defense.
- Led and supervised the Syracuse University iSchool IT Security Research Lab.
- Migrated the Internal and External Learning Management System utilized by Carrier Corporation. Designed the Business Continuity Plan. Configuration and hardening of dedicated VPS Linux Servers.
- Designed and deployed the secure network infrastructure for SRA International in their Syracuse NY offices. Coordinated server and software license acquisitions. Configured and hardened Servers 2008 R2 and CentOs Linux Servers. Configured RDP applications, LAMP baseline, SFTP services, SVN repositories, JIRA, databases, VPN connectivity and hardening strategy. Enabled the organization to establish router-to-router tunnels. Nagios and Webmin implementation for admin and monitoring.
- Migrated the entire IT infrastructure for Cyber Defense Institute to the cloud. Server virtualization, web services configurations, CMS implementation, business continuity plans and administration strategy.
- Assisted companies with planning, designing, development, and audit of Information Protection Projects, Business Continuity and Disaster Recovery Plans and Security Reviews including the strategic development of security architectures, firewall design and administration with security policies and procedures in accordance with ISO 17799.
- Lead Security Engineer in multiple engagements that involved: Security Audits, Internal and External Controls Evaluation, Forensic Investigation, Disaster Recovery Vulnerability Assessment, Penetration Testing, DIACAP training for the Air Force Research Labs, HIPAA Auditing, ISO 17799/27001, Training, Ethical Hacking, Oracle Database Tuning and Administration.
- Negotiated company executive level IT consulting services, functional support, and IT training with public, private and governmental organizations. Formulated and implemented the strategy used by the Cyber Defense Institute to be positioned as the sole provider of online learning services for the International Association of Outsourcing Professionals, from server configuration and operating system installation to hardening of server services.
- Cyber Defense Institute main Security Engineer Consultant in these areas: IT security, IT auditing, HIPAA Auditing, SAS70, ISO 17799 Training, Penetration Testing, Ethical Hacking, Web application audit using OWASP, Wireless Audit, Oracle Database Tuning and Administration.

- Co-Managed the migration of 15 Checkpoint Firewall-1 from central consoles to Provider-1. Checkpoint/IPSO upgrade of over 30 firewalls in a production server-farm environment. Site-to-site and client-to-sites VPN tunnels. Access Policy for remote users. Maintain VPNs and related firewall authentication and encryption.
- Provided solution architecture, project management, and capacity planning services as well as TCP/IP network design and administration. Conducted network and host based security audits on internal and external UNIX systems, providing reports on issues discovered and actions to take to resolve the problems. Assisted in development, documentation, and implementation of client Disaster Recovery plans and standard operating procedures.
- Led the technical implementation of the Syracuse University iSchool Open Courseware platform to support a knowledge exchange repository in partnership with JP Morgan Chase. Configured servers, operating systems, databases and security controls for repositories. Technical consultant for security issues. Led team on BIA, BCP, and DRP on policy evaluation and auditing. Designed and delivered training on the implementation of security within SDLC for the US Air Force.
- Delivered for Syracuse University specific training curriculum on a variety of topics: Help Desk industry, Oracle Database Technologies, IBM DB2 Technologies, ITIL, HIPAA, Network+, Security+, Microsoft Certified Desktop Support Technician, Network Defense and Countermeasures, Network Security, Certified Ethical Hacking, Certified Information Security Specialist Professional and Microsoft Office Applications.

Professional Experience

- Director, Security Services, Terra Verde Services.
- Vice-President and Lead Senior Security Engineer, Cyber Defense Institute Inc., Syracuse, NY.
- IT Security Engineer/Database Consultant. WebPortalSolution, Syracuse, NY.
- Professor of Practice. Syracuse University, Syracuse, NY.
- Senior Computer Tech Instructor. Center for Business Information Technologies, Syracuse, NY.

Education

- Ph.D. (ABD) Instructional Design Development and Evaluation School of Education, Syracuse University, Syracuse, NY.
- CAS Instructional Design. School of Education, Syracuse University, Syracuse, NY.
- M.S. Instructional Design. Concentration: Evaluation and Research. School of Education, Syracuse University, Syracuse, NY.
- B.S. Mathematics Education. Universidad Simón Rodríguez, Caracas, Venezuela.
- Certified Information Systems Security Professional (CISSP)
- Certified Ethical Hacker (CEH)
- Qualified Security Assessor (PCI QSA)
- Oracle 8i/9i/10g DBA
- CompTIA iNet+
- CompTIA Security Plus
- HIPAA Security/Administrator
- Microsoft Master Instructor MOUS
- Certified Penetration Testing Engineer

Awards

- Syracuse University SUIQ Chancellor's Certificate of Exemplary Achievement,
- Syracuse University Vice President's Award for Outstanding Graduate Student
- Who's who in American Universities & Colleges

- Honorable Member of the Phi Beta Delta
- Honor Society for International Scholars
- US Department of Labor Occupational Information Network Division Recognition
- 2011 Syracuse University School of Information Studies Faculty of the Year

Languages

- English, Spanish and some Portuguese

JEFF WEEKES, SR. SECURITY ARCHITECT, SR. PENETRATION TEST LEAD

Executive Summary

This professional has over 16 years of experience in IT Operations and Information Security. He has broad-based experience in information technology (IT), including coordination, direction, and management oversight of IT and Information Security project engagements. He has experience implementing n-tiered web application architectures, high availability database solutions, firewalls, intrusion detection systems, and vulnerability management systems. In addition, Jeff has experience managing incident response and information security engineering teams. His experience provides him with a strong background in all areas of Information Security and Information Technology.

Key Career Accomplishments

- As an Information Security Manager, managed all aspects of the Information Security Engineering Team including risk assessment coordination and management; architectural reviews; policy compliance; vendor management; threat and vulnerability management.
- Experience developing corporate level security policies, standards, and procedures.
- Participated in a variety of vulnerability and penetration testing engagements including web applications, database systems, and wireless networks.
- Implemented an incident response program and managed all aspects of an incident response team.
- Performed PCI DSS assessments for multiple service provider clients.
- As Project Manager, successfully planned and implemented IT projects including virtualization, web application and database system deployments; patch and vulnerability management systems; systems and network upgrades; firewall and intrusion detection systems.
- Successfully implemented an enterprise wide vulnerability management program significantly reducing technology risk at reduced control costs.
- Experienced in secure systems design and implementation.
- Developed content and instructed an Introduction to Hacking course for the Information Systems Audit and Control Association.
- Maintained, monitored and supported all configurations for servers and networked components within a heterogeneous environment including VMS, Windows, UNIX, and Linux systems.

Professional Experience

- Director Security Solutions, Terra Verde Services
- Universal Technical Institute, Infrastructure/Security Manager
- Jefferson Wells, Technology Risk Management Professional
- 1st National Bank of Arizona / Nevada, Information Security Supervisor
- 1st National Bank of Arizona / Nevada, Information Security Engineer
- Rio Salado College, Sr. Systems Engineer

Education

- Extreme Networks Specialist (ENS)
- Extreme Networks Associate (ENA)
- Extreme Networks Certified Design Professional (ECDP)
- QSA, Qualified Security Assessor for PCI DSS
- Certified Information Systems Security Professional (CISSP)
- Information Systems Security Architecture Professional (ISSAP)
- Cisco Certified Network Professional (CCNP)

- National Security Agency INFOSEC Assessment Methodology (IAM)
- National Security Agency INFOSEC Evaluation Methodology (IEM)
- Certified Information Systems Auditor (CISA)
- Microsoft Certified Systems Engineer (MCSE)
- Certified Computer Examiner (CCE)

HOYT KESTERSON, SR. SECURITY ARCHITECT

I am well versed in distributed applications including major components — operating systems, communication protocols, messaging, EDI, distributed TP & database architectures, and security. I have designed security protocols, specified security policies, and have performed security audits. I chaired the international committee responsible for defining the X.500 Directory standard, including X.509 for digital signature. I am a co-chair of the American Bar Association's Electronic Discovery and Digital Evidence committee. I have been a testifying expert in a dispute on trade secret, a Markman hearing for patent infringement, and two hearings on spoliation of digital evidence, including one due to loss of the encryption key. Although I have been programming computers since 1961, my professional focus in the last twenty-five years has been the various aspects of security, including cryptography, and their influence on legal activities such as IP, business transactions including signing contracts, discovery, and evidence in a digital world.

AREAS OF EXPERTISE

- Certified as a PCI Qualified Security Assessor. Performed an FTC-ordered security audit on a large identity theft prevention company.
- Chaired the International committee responsible for defining the OSI Directory standard, X.500, and its associated Authentication Framework, X.509 from 1986 to 2007. X.509 is the digital signature certificate standard used in many areas, e.g. SSL for web browsers and the IETF Public Key Infrastructure (PKIX).
- Co-chair and founding member of the American Bar Association's Electronic Discovery and Digital Evidence Committee.
- A member of the American Bar Association's Information Security Committed since its inception in the early 90's and a significant contributor to its Digital Signature and PKI Assessment Guidelines.
- A lecturer on data breach at the ABA Annual meeting and on electronic discovery and evidence at the Florida Bar Association's annual and mid-year meetings. A faculty member of a live audio webcasts—on spoliation of digital evidence, on retention and preservation, and bench decisions concerning disputes on commercially reasonable security—offered by the American Law Institute and the American Bar Association. Presented in twenty sessions in the legal tracks of twelve RSA conferences. Attendees at each of the events earned Continuing Legal Education (CLE) credits. Attributed contributor to a book on digital discovery, a book on digital data and the rules of evidence, and a book on data breach and encryption, all published by the American Bar Association.
- Nationally recognized speaker at conferences, universities, and companies on technology and its use. The conferences have not only been technical but also on the potential legal impacts and uses, e.g. its use to meet regulatory requirements such as HIPPA and Sarbanes-Oxley.
- Invited participant to the first National Science Foundation / Association of Community Colleges conference on cyber-security education (2002).
- Performed security audits and gap analyses for a variety of sectors, e.g. education, financial, business, technology (e.g., a web-hosting company, a electronics R&D company). Evaluated data breach prevention implementations, including database encryption. Designed key management and data encryptions services for several businesses.
- Performed several Sarbanes-Oxley, Visa CISP, and PCI audits. Each of the CISP audits and gap analysis covered a different segment of the industry—a large merchant, a merchant services company, and a card-issuer services organization. Also performed several financial controls technical audits of a bank and a large ISP.
- Researched prior art, submitted expert's reports, advised counsel on technical aspects, and testified as an expert witness in litigations on patent infringement, on trade secret issues, and twice on spoliation of digital evidence. Submitted expert's report on patent infringement and on insider EFT fraud.
- Created a risk assessment tool for a large technology company.
- Assessed the security plans for, among others, a very large county school system, a European country's large Social Services organization, two state agencies, and several US financial institutions.

- Participated in "customer teaming" defining key customers' enterprise IT strategies, and focusing on networking, distributed applications (e.g. workflow and data warehouse), and security. Brought a large software company's development process to SEI and ISO 9000 guidelines, including code inspection.
- Advised companies on technical product strategy and security. Wrote an extensive evaluation of company's security products and capabilities and made recommendations for a marketing and product strategy for security.
- Advised a company on what companies it should acquire to broaden its portfolio of eDiscovery services and products.
- Developed technical strategies for interconnecting multi-vendor products, from enterprise to desktop.
- Designed components for electronic commerce - security, messaging, EDI, and distributed TP and database architectures.
- Worked on in a variety of systems designing and writing code that responds at the interrupt level of the operating system to handle events in a real-time fashion. These systems have included fast parallel-processing scientific computers, large-scale data processing computers, communication front-ends, and vector-graphic workstations.
- Reversed-engineered communication protocols for which documentation was not available.
- Developed and taught courses on Security, Directory, and ASN.1 for open seminars, as well as internal classes for various companies, government agencies, and organizations.
- Designed Distributed Application Architecture for intercommunication aspects including models, communication protocols, TP/DB paradigms, security, and naming and addressing.
- Encouraged and shepherded patent applications as member of company patent committee.
- Significant contribution to the specification of US name registration procedures (which served as the base for other countries' procedures), to the definition of the OSI Application Layer and CC&R (the TP commitment protocol) architectures (head of US delegation), and to various security standards.
- Lectured on security at Arizona State University in 2001, 2002, and 2003.

Affiliations

Led the International Standards group responsible for defining the OSI Directory Standard, X.500 including X.509, from 1985 thru 2006. Other activities were the ISO and national committees that defined the standards for Naming and Addressing and for Registration Authorities, participated in the definition of the Commitment, Concurrency, and Recovery protocols to support transaction processing, chaired the ISO effort on the OSI presentation layer standards and on ASN.1, head of US delegation to the work on the OSI Upper Layers.

Associate member, American Bar Association - Helped produce the ABA's *Digital Signature Guidelines with Model Legislation* document. Contributor to the *PKI* (public key infrastructure) *Assessment Guidelines*. Co-authored an article on digital signatures and EDI for the ABA's Spring 1998 issue of *Jurimetrics: Journal of Lay, Science, and Technology*. Contributed attributed content to the book *The Discovery Revolution: E-Discovery Amendments to the Federal rules of Civil Procedure* by George Paul and Bruce Nearon (ABA Publishing, 2005). Worked extensively with George Paul in the development of his book, *Foundations of Digital Evidence* (ABA Publishing, 2008).

AWARDS

Honeywell H. W. Sweatt Engineer–Scientist Award, 1984

Patent 6,067,579 Method for reducing message translation and traffic through intermediate applications and systems in an Internet application

TERRA VERDE
INTEGRITY • EXPERIENCE • VALUE

Mr. Mikah Perez
Terra Verde Services
7400 E Pinnacle Peak Rd, Suite #100
Scottsdale, AZ 85255

June 11, 2014

Loretta Browning,
RFP Administrator
City of Avondale
Information Technology Department
11465 W Civic Center Dr.
Suite #200
Avondale, Arizona 85323

Dear Mrs. Browning,

As requested Terra Verde, is pleased to submit this clarification letter in response to your Request for Qualifications for Information Technology Professional Services. We are providing the following information: (as attached documents)

1. Submittal of Advanced Security Services Fee Proposal Amendment
2. Filled out/completed clarification response

Thank you for the opportunity to provide the City of Avondale with Information Technology Professional Services. I will also be providing a signed original of this letter via mail services to your offices. Should you have any additional questions, please don't hesitate to call me at 480-840-1744, x33, Thank you.

Best Regards,

Mikah Perez
Business Development

Avondale

Aspiring. Achieving. Accelerating.

Finance and Budget Department
Procurement Office
11465 W. Civic Center Drive, Suite 250
Avondale, Arizona 85323-6807
Phone: (623) 333-2029
Fax: (623) 333-0200
Website: www.avondale.org/procurement

June 10, 2014

Mr. Mikah Perez, Business Development Director
Terra Verde Services
7400 E Pinnacle Peak Rd, Suite #100
Scottsdale, AZ 85255

Subject: Request for Clarification, RFP IT 14-031 Information Security Systems Assessment and Advanced Information Security Services

Dear Mikah Perez:

I am pleased to advise that Terra Verde Services. (hereinafter refered to as "Terra Verde") has been selected as a finalist for the above referenced Request for Proposal (RFP). This notice is to inform Terra Verde that City of Avondale hereby requests clarification of the Terra Verde proposal in determining whether the City finds it necessary to hold further evaluation of the proposed services.

City requires that Terra Verde submit a written clarification response by 12:00 P.M. (noon) Phoenix local time on **June 12, 2014**. The clarification response may be submitted by facsimile or email (in Adobe Reader format) with a signed original to follow. The items for clarification follow on the attached page.

If you have any questions concerning the content of this notification letter or the requirements of the written response, please call or email.

Sincerely,

Loretta Browning
Procurement Officer
City of Avondale

Attachment (1)

Avondale
Aspiring. Achieving. Accelerating.

Finance and Budget Department
Procurement Office
11465 W. Civic Center Drive
Avondale, AZ 85323
lbrowning@avondale.org
623.333.2029

As you are aware there are multiple municipalities/agencies looking at selecting from the awarded pool of vendors to engage security assessments once the new fiscal year begins. Pricing should reflect the aggregate value of this work and the cooperative nature of the procurement. Finally, based on the company's most competitive pricing, your firm is encouraged but not required, to submit an amended cost proposal (using the RFP Price Form).

Avondale's Clarification Requested	Proposer's Response
1) Please confirm no subcontractors would be used for engagements. If yes, indicate the level of experience, credentialing the subcontractors would have, and any alternate pricing.	□ Yes X□ No Comments: We would be performing the services with our in-house staff. No subcontractors engaged.
2) Confirm that any Security Assessment and Advanced Services offered are available for use by other cities and that proposed pricing will be honored for the duration of the contract. If not, vendor is electing to restrict future business and their services/products would be available only for the quoted period.	X□ Yes □No Comments: We confirm that our services are available for use by other cities and that the proposed pricing will be honored for the duration of the contract.

EXHIBIT B
TO
PURCHASE AND SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
TERRA VERDE, LLC
d/b/a
TERRA VERDE SERVICES

[Scope of Work]

See following pages.

SCOPE OF WORK

Information Systems Security Assessment and Advanced Information Security Services
IT 14-031

I. Introduction. To date, the City's information systems security strategy has focused on (1) minimizing the exposure of internal systems to the public and (2) using commercial solutions built to meet applicable security requirements. In 2014, the City will engage one Consultant to perform an Information Systems Security Assessment to test the City's security readiness and to identify critical improvements required by risk levels. Thereafter, the City will assess Advanced Information Security Services and initiate future Information Systems Security Assessments on an as-needed basis.

II. General Scope of Work.

2.1 Information Systems Security Assessment. The Information Systems Security Assessment (the "Assessment") should function as an audit of the City's information systems security processes, practices and overall security readiness. The City's intent is to engage one Consultant to perform the initial testing by June 30, 2014, with final completion in December 2014. The Assessment must include the following:

A. Network penetration testing.

B. Social engineering testing.

C. Systems, applications and online services testing.

D. A review of City security policies and processes.

E. Critical malware detection.

F. Expert report that identifies the strengths as well as prioritized weaknesses the City should address to secure its information.

G. After a gap period, re-test coordinated with the City.

H. Final report and security letter stating the general state of the City's information environment security. Vulnerabilities identified should be accompanied by:

1. The likelihood of occurrence (e.g., imminent, possible, or highly unlikely).

2. Risk analysis of impact (e.g., high, medium, low).

3. Suggested risk acceptance criteria the City may use to prioritize.

2.2 Advanced Information Security Services. Consultant will provide specialized security consulting services to the City on an as-needed basis. When the City identifies a need, proper authorization and documentation will be issued to engage the Consultant at the rate stipulated in the Agreement. Advanced Information Security Services the City may require include the following:

A. Remote monitoring of City's assets for intrusion.

B. Internal critical malware detection, isolation and removal services.

C. Incident response once a security breach is detected.

D. Follow-up and corollary services related to prevention, detection, inhibiting and recovery from information security incidents.

E. Credit protection and counseling services for City customers.

F. Penetration, social engineering and other security testing.

G. Security hardening consulting services.

H. Security training services.

I. Compliance verification services—e.g., PCI.

2.3 Secure Communications.

A. Privileged Information. Consultant shall treat all information systems security findings, recommendations and work as "Confidential," and shall only release such information to authorized City personnel.

B. Secure Transmission. Consultant shall provide any and all information regarding information and systems security findings, recommendations and work materials via a secure file transfer method, with minimum 128-bit encryption and accessible only by authorized City personnel.

2.4 Availability. At a minimum, Consultant shall be available to provide Services Monday through Friday, 8:00 a.m. to 5:00 p.m. City offices are closed to the public Friday, Saturday and Sunday; however, IT staff performs system work on these days to minimize the impact on user groups. The City may require Services both during and outside of the City's regular business hours, including weekends and holidays, and may require emergency response to urgent issues outside of normal support hours.

2.5 Response Times. Consultant shall respond to a request for Services by the City within required timeframes. Due to the critical nature of some security incidents, the City requires Consultant to meet the following response times:

Priority	Importance	Impact	Business Hours Response Target	Resolution Effort
1	Urgent	Significant	≤2 Hour Response Time	Work until resolved – including weekends and U.S. holidays.
2	Moderate	Minor	≤8 Hour Response Time	Resolve during normal City business hours.
3	Low	Minor	≤24 Hour Response Time	Resolve during normal City business hours.

III. Personnel. Consultant's employees and subcontractors shall have a minimum of three years of experience and the means and tools to complete all work described in Consultant's Proposal. The City shall have the right to request that Consultant's personnel and/or subcontractor(s) be removed if, in the City's sole discretion, such personnel or subcontractor(s) are detrimental to the delivery of the Services. Upon receipt of such request, Consultant shall remove such personnel or subcontractor(s). The City's approval of substituted personnel or subcontractor(s) shall not be unreasonably withheld.

IV. Coordination.

4.1 City Representative. The City's Chief Information Officer/Director of Information Technology will appoint a representative (the "City Representative") for activities concerning the Services. The City Representative will serve as the main contact person for the City relating to the Services.

4.2 Service Support Representative. The Consultant shall appoint a support representative (the "Service Support Representative") responsible for (A) organizing and executing Services agreed to by Task Order and (B) providing reports as may be required by the City.

4.3 Service Assessment. As deemed necessary by the City, the City's Representative and the Service Support Representative will meet to discuss the progress and quality of the Services rendered. The Consultant will produce and send to the City Representative an accurate accounting of open Task Orders at least monthly.

EXHIBIT C
TO
PURCHASE AND SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
TERRA VERDE, LLC
d/b/a
TERRA VERDE SERVICES

[Fee Proposal]

See following page.

Advanced Information Security Services Fee Proposal
IT 14-031

Instructions: Provide service name, description and pricing, adhering to the limits established by the City in the RFP and using the structure provided in this Fee Proposal matrix. Express proposed cost as a fee charged per occurrence or as a rate per unit or use. Vendors are encouraged to submit potential services that meet the City's stated needs for the assessment of its information systems security readiness. Submit a Fee Proposal for additional options the City may add at its discretion

Item Description	$ Amounts	Cost %
1. Security Assessment Services Milestones/Deliverables		
1.1. Kickoff, Planning, and Analysis	**$ 4,200.00**	**14%**
1.2. Security Testing (Describe testing approach, coordination with required and important exceptions for each test)	**$ 11,760.00**	**40%**
1.2.1 Penetration of Physical and Network Environment [Description of Work Proposed]		
1.2.2 Social Engineering [Description of Work Proposed]		
1.2.3 Systems, Applications, and Online Services [Description of Work Proposed]		
1.2.4 High-Risk Malware [Description of Work Proposed]		
1.2.5 [Other—e.g., Intrusion Detection]		
1.2.6 [Other—e.g., Internal Security Risks]		
1.3. Review of Policies and Controls	**$ 1,680.00**	**6%**
1.4. Secure Delivery of Initial Report	**$ 1,680.00**	**6%**
1.4.1 Security Testing Results and Prioritized Corrective Action		
1.4.2 Policies and Controls Commentary and Suggestions		
1.5. Re-Test After Delivery of Initial Report	**$ 2,520.00**	**8%**
1.6. Secure Delivery of Final Report and Security Letter	**$ 1,680.00**	**6%**
1.6.1 Security Testing Results and Prioritized Corrective Action		
1.6.2 Policies and Controls Commentary and Suggestions		
1.6.3 Letter Stating the City's Overall Security Readiness		
1.7. Final Acceptance of Vendor Services	**$ 5,775.00**	**20%**
Total Information Systems Security Assessment Cost	**$ 29,295.00**	**100%**
Maximum Proposed Travel and Related Expenses	**$ 29,295.00**	**Net-30**

We are transferring a significant amount of cost saving opportunities to accomplish desired goals. The market rate for the proposed work fluctuates between $150 and $170 the hour. Our budget consideration is well below the market.

Vendors are encouraged to submit additional services that may meet the City's stated needs for the assessment of its information systems security readiness. Submit add-options below, which the City may access at its discretion. Express proposed cost as a fee charged per occurrence or as a rate per unit or use.

Item Description	$ Fee	$ Rate
2. Information Systems Security Assessment Add-Options		
City Wide Security Education Training and Awareness; content, delivery and program administration. Monthly, Quarterly and yearly reports.	5,000.00 for content customization.	$10 per user per year.

Advanced Information Security Services Fee Proposal
IT 14-031

Instructions: Provide service name, description and pricing, adhering to the limits established by the City in the RFP and using the structure provided in this Fee Proposal matrix. Express proposed cost as a fee charged per occurrence or as a rate per unit or use. Vendors are encouraged to submit potential services that meet the City's stated needs for the assessment of its information systems security readiness. Submit a Fee Proposal for additional options the City may add at its discretion.

Item Description	$ Fee	$ Rate
1. Security Incident/Breach Response		
In the event of a security incident such as a network or application breach, loss of data, or other information security event, services to quantify, close, and resolve the incident with City staff.	$	$ 150 per hr
2. PCI Compliance Verification		
Expert and PCI-certified validation of City compliance with most current applicable PCI Data Security Standard, including:		
▪ Approved Scanning Vendor testing/evaluation;	$	$ 150 per hr
▪ Verification of cardholder data handling;	$	$ 150 per hr
▪ Provision of corrective steps and training;	$	$ 150 per hr
▪ Assistance with PCI Self-Assessment Questionnaires; and	$	$ 150 per hr
▪ Related PCI services as required.	$	$ 150 per hr
3. HIPAA and/or HiTECH Compliance Verification		
Gap Assessments, Audits, Program creation, consultation	$	$ 150 per hr
4. Cyber Security Forensic Investigation Services		
Initial investigation and attack mitigation.	$	$ 150 per hr
5. Remote Intrusion Monitoring		
[Describe Vendor Services and Minimum Staff Qualifications]	$	$ 150 per hr
6. Critical Malware Detection, Isolation and Removal		
[Describe Vendor Services and Minimum Staff Qualifications]	$	$ 170 per hr
7. SCADA Security Planning and Hardening		
[Describe Vendor Services and Minimum Staff Qualifications]	$	$ 170 per hr
8. Data Recovery Services		
N/A	$	
9. Credit Protection and Counseling for City Customers		
N/A	$	
10. Information Systems Security Training		
City Wide Security Education Training and Awareness; content, delivery and program administration. Monthly, Quarterly and yearly reports.	$	$ 10 per user per year
11. Ad-Hoc Penetration Testing		

Gray/Black Hat Internal/external network penetration assessment and web application assessments.	$	$ 150 per hr
12. NIST SP 800-53 Controls Testing		
FISMA, DIACAP, CSA and NIST control design and evaluation.	$	$ 150 per hr
13. Ad-Hoc Social Engineering Testing		
Physical and logical perimeter breach/testing.	$	$ 150 per hr
14. Ad-Hoc Remote Intrusion Testing		
[Describe Vendor Services and Minimum Staff Qualifications]	$	$ 150 per hr
15. Ad-Hoc Internal Security Testing		
Vulnerability assessment, patch program audit, technical, administrative, physical and logical controls assessment	$	$ 150 per hr
16. Information Systems Architecture Development/Review		
Secure architecture design, traditional infrastructure migrations to the cloud or colo environments.	$	$ 150 per hr
17. Information and Systems Security Consulting		
We have two specific areas of focus - security services and security solutions. Our services division is highly focused on compliance. Our professionals have expertise in auditing for HIPAA, PCI DSS (Terra Verde Services is a PCI Qualified Security Assessor), ISO 17799, ISO 27000 series, GLBA, IRS Publication 1075, Sarbanes-Oxley, CoBiT, FISMA/NIST, FTC Red Flag rules, and state privacy and data breach notification laws. We assist our clients in pre-audit assessments, remediation and testing, introducing industry best practices and standards to ensure a successful outcome. Additionally, we have helped our client base to establish necessary and achievable security strategies tailored to meet their compliance and business needs.	$	$ 170 per hr
18. Computer Encryption Solution and Services		
VPN, PKI design and assessment.	$	$ 150 per hr

Company Name: Terra Verde

Date: 6/11/2014

EXHIBIT D
TO
PURCHASE AND SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
TERRA VERDE, LLC
d/b/a
TERRA VERDE SERVICES

[Task Order(s)]

To be attached subsequent to execution.

File #: 14-354, **Version:** 1

EXPENDITURE AUTHORIZATION FOR SERVICE AND MAINTENANCE OF THE CITY'S HANSEN INFORMATION TECHNOLOGIES BUSINESS MANAGEMENT SOFTWARE

Staff Contact: Tom Duensing, Director, Finance & Technology

Purpose and Recommended Action

This is a request for City Council to authorize the expenditure of funds for service and maintenance of the City's Hansen Information Technologies business management software from 12/01/2014 through 11/30/2015 in an amount not to exceed $103,933.83. The $103,933.83 is for the maintenance renewal and includes a 20% contingency for fluctuation of taxes, fees and additional licenses.

Background

On 5/28/2002, Council approved a Service and Maintenance Agreement with Hansen Information Technologies, Inc. for the new development tracking system for the City. Hansen is currently used for use permits, code enforcement, and utility asset management. Hansen has since changed its name to Infor Public Sector, Inc.; but is still the copyright owner of the Hansen software and is the only vendor that has the unrestricted ability to access and modify these software products in order to provide bug fixes, updates, and upgrades.

Previous Related Council Action

Council approved Contract C-4543 Service and Maintenance Agreement and Contract C-4525 Limited Software License Agreement with Hansen Technologies on 5/28/2002.

Community Benefit/Public Involvement

Hansen is a business management software suite used by Water Services, Building Safety, and Code Enforcement. Water Services utilizes Hansen for inventory management, asset management, and work order management. Building Safety and Code Enforcement utilize Hansen for permit application, permit management and permit review.

Budget and Financial Impacts

Annually, the Hansen maintenance renewals are budgeted and paid for by Water Services and the Technology Replacement Fund (TRF).

Cost	Fund-Department-Account
$51,272.56	**1140-11530-522700 - Technology Replacement Fund**
$52,661.27	**2360-17120-522700 - Water Services**

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CITY CLERK
ORIGINAL
5-23-02

Hansen Information Technologies

Service and Maintenance Agreement

Subject to all terms of this Service and Maintenance Agreement (AGREEMENT), Hansen Information Technologies (hereinafter referred to as "HANSEN") and CITY OF Glendale, Arizona (hereinafter referred to as "GLENDALE") agree as follows:

1. PRODUCT - This AGREEMENT applies to the product(s) and module(s) licensed to the GLENDALE by HANSEN as agreed to in a separate Software License Agreement (including additional software purchases under that Agreement):

   Products: V7.5 Construction and Use Permits, Code Enforcement, Work Notice, Mobile Permit Inspections, Mobile Work Management, OLE Container, Nag System, DynamicPORTAL for Customer Service, Cashiering, and Tab Editor

2. PRICE - GLENDALE agrees to pay to HANSEN in advance, an annual fee of $42,570 for services and maintenance provided in accordance with this AGREEMENT.

3. TERM - This AGREEMENT will commence upon GLENDALE going LIVE with any component of HANSEN software or the date of acceptance, whichever occurs first, and continue for one year.

4. RENEWAL - After the initial term this AGREEMENT may be renewed for periods of a one (1) year. HANSEN will notify GLENDALE in writing of any increase in the price of its fee for services and maintenance for the next renewal period no later than 60 days prior to expiration of the prior term. The maximum increase shall be no greater than 5% over the prior year's fee. Should no notice of price increase be given by this date, the fee for services and maintenance will remain the same as the preceding year. GLENDALE will notify HANSEN in writing of its intention to renew this Agreement within 30 days prior to the expiration of the prior term. . GLENDALE understands that if it purchases additional licenses during any term of this Agreement, the annual fee will increase accordingly.

   Nothwithstanding the above, HANSEN understands that the continuation of this Agreement after the close of any given fiscal year of GLENDALE, which ends on June 30, shall be subject to the budget of GLENDALE providing for the contract item as an expenditure therein. GLENDALE cannot assure that the budget item for funding future renewals of this Agreement will be approved, as such assurance would be a legislative and policy determination of the City Council at the time of the adoption of the budget. Should the funding of the Agreement not be approved by City Council, GLENDALE may retract its notice of intention to renew this Agreement.

5. SERVICES - HANSEN will provide services to the GLENDALE during the term of this AGREEMENT:

a) The GLENDALE will receive, when available, updates applicable to the GLENDALE'S specific version of HANSEN application software within the same operating environment.

b) The GLENDALE will be able to utilize Toll-Free Technical phone support through the Help Desk for technical issues relating to the installation and use of the licensed software (Hansen Version 7). The telephone support will be available Monday through Friday between the hours of 6 a.m. – 5 p.m. Pacific Time by dialing (800) 8- HANSEN.

c) Distribution of updates to the GLENDALE'S HANSEN application software to resolve any malfunctions or logic problems that have been identified and corrected in the application software.

6. SERVICES NOT COVERED - HANSEN will not provide any additional services to the GLENDALE during the term of this AGREEMENT; including but not limited to:

a) HANSEN will not support application software that is running on outdated operating systems. Distribution of updates and enhancements, telephone support and functional corrections will only be made available for current operating systems. The GLENDALE is responsible for maintaining compliance with the "industry standard" version of the relevant operating system. GLENDALE should determine that an upgraded version of a component part of the HANSEN product (Oracle for example) has been certified prior to installation.

b) HANSEN is not responsible for loss of data due to lack of sufficient backup files. The GLENDALE is responsible for following standard backup procedures to insure data integrity.

c) Custom programming or the development of specialized routines not associated with 5(a), 5(b) and 5(c) are not covered under this AGREEMENT.

d) Data conversions and problems associated with data conversions are not covered under this AGREEMENT. HANSEN will assist the GLENDALE through the Help Desk for workstation installation only if other workstations are already installed and working. The Help Desk will not install or upgrade server software or database client software on a "first" machine.

e) Any service not covered in paragraph 5 above.

7. HANSEN SYSTEM DEFECT CLASSIFICATIONS – It is recognized that despite the precautions associated with software, defects may be encountered. These defects are defined in criticality categories:

a) Category I – System failure or Security Breach which is associated with the Sotware. Software does not work, data cannot be input, reviewed, or revised. The system is inoperable. This failure is due to HANSEN'S software failure, not related to database or system difficulties. Additionally, system security has been

breached as a result of a software issue at GLENDALE or at another site running same version of the security features installed at GLENDALE.

b) Category II – Key HANSEN component failure. One or more HANSEN modules or functions does not work. In this case core functionality remains, however the system is not fully operable. It might not print, for example.

c) Category III – Minor HANSEN failure or defect. A calculation does not properly function, printing might not be available for one feature, indexing might not have full functionality. These generally center on a configuration issue or error. The system works and work-arounds may be used.

d) Category IV – Defect, A feature or change in HANSEN functionality desired by the GLENDALE is not available or needs redesign. Or, a misspelling or incorrect link in encountered. Full functionality remains available.

8. RESPONSE GOALS AND ESCALATION –

Response goals are based upon the Category and Criticality of the problem.

a) Response goals for Category I will be within two hours of initial reporting (if reported during HANSEN's help Desk hours). HANSEN will provide standard technical telephone support to resolve the problem.

b) Response goals for Category II will be within four hours of initial reporting (during GLENDALE service hours). HANSEN will provide standard technical telephone support to resolve the problem.

c) Response goals for Category III issues will be within four working hours of initial reporting. Normally, defects of this nature are resolved through installation of new software or "bug fixes," or changes in the customized system configuration.

d) Responses for Category IV issues will be addressed as enhancement requests and minor corrections. These will be distributed in standard software releases and upgrades.

Service Escalation

In cases where a solution cannot be provided to restore major functionality within six working hours after receipt of the initial call (Categories I and II), HANSEN will assign its technical and programming team to resolve the difficulty. If the difficulty cannot be resolved in a timely fashion after the initial call, HANSEN technical personnel may be dispatched to the site at HANSEN's discretion. The GLENDALE will provide on-site technical staff support, access and expertise to assist HANSEN, regardless of the time of day or standard work schedule. In all occurrences of Category I and II issues, HANSEN will endeavor to restore system functionality as soon as possible.

HANSEN will use electronic delivery of files and software patches where possible, or overnight delivery if required. In cases of system failures (Categories I and II) next flight out delivery of media will be made. GLENDALE will be responsible to take delivery at the closest practical airport.

Category III issues will be resolved as rapidly as practical provided they degrade system performance or significantly decrease functionality. Electronic delivery of new software or additional files may be appropriate. In cases where files are too large for satisfactory electronic delivery, overnight mail will be used.

Category IV issues will be reviewed and resolutions will be distributed through standard upgrade and update distributions. Enhancement suggestions should be made in writing and sent to the Hansen Help Desk.

All reports of system problems should be referred to the Hansen Help Desk, 1-800-8HANSEN. These calls will be logged into the system and dispatched to the appropriate work groups. In the event the Hansen Help Desk cannot be reached through the toll free number, the HANSEN general number should be used, or e-mail to helpdesk@hansen.com.

If satisfaction is not received, the complaint should be directed to the GLENDALE Service manager, then to the Account Manager.

9. ADDITIONAL SERVICES - Services outside the scope of those described in 5(a), 5(b), and 5(c) above may be provided on a Time and Materials basis, Flat Fee basis, or may require on site work at a negotiated price. The current established hourly rate is $187.50, with a minimum of one hour. The hourly rate may change without notice. The additional services may include data correction, software upgrades and installations.

10. LIMITATION ON LIABILITY – THE AGGREGATE LIABILITY OF HANSEN ARISING FROM OR RELATING TO THIS AGREEMENT OR THE SOFTWARE, OR DOCUMENTATION (REGARDLESS OF THE FORM OF ACTION OR CLAIM – E.G. CONTRACT, WARRANTY, TORT, MALPRACTICE, AND/OR OTHERWISE), , IS LIMITED TO THE TOTAL FEES PAID BY GLENDALE UNDER THIS AGREEMENT. HANSEN SHALL NOT IN ANY CASE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HANSEN IS NOT RESPONSIBLE FOR LOST PROFITS OR REVENUE, LOSS OF USE OF THE SOFTWARE, LOSS OF DATA, COSTS OF RE-CREATING LOST DATA, THE COST OF ANY SUBSTITUTE EQUIPMENT OR PROGRAM, OR CLAIMS BY ANY PARTY OTHER THAN GLENDALE. THIS PROVISION DOES NOT APPLY TO INDEMNIFICATION CLAIMS SUBJECT TO PARAGRAPH 17 OF THE LIMITED SOFTWARE LICENSE AGEEMENT OR TO ANY PERSONAL INJURY OR PROPERTY DAMAGE CLAIMS.

GLENDALE in its sole discretion, may for good cause at any time immediately terminate this and, at its option, all other Agreements with HANSEN should GLENDALE believe for good and valid reason that it is or may be exposed to damages in any form due to the fault of HANSEN, whether special, incidental, consequential, indirect or punitive, or otherwise to which the Limitation of liability clause would apply. In the event of such termination, should GLENDALE have incurred or be liable for actual damages due to the

fault of HANSEN, these damages will be offset against any amount due and owning to HANSEN,if any, at the time said liability is finally determined.

11. SOLE REMEDY AND ALLOCATION OF RISK –GLENDALE'S SOLE AND EXCLUSIVE REMEDY AND HANSEN'S SOLE AND EXCLUSIVE LIABILITY IS SET FORTH IN THIS AGREEMENT. THIS AGREEMENT DEFINES A MUTUALLY AGREED-UPON ALLOCATION OF RISKS AND THE AMOUNT PAYABLE TO HANSEN BY GLENDALE REFLECTS SUCH ALLOCATION OF RISK.

12. CONFLICT OF INTEREST. HANSEN certifies and warrants that neither HANSEN, nor any of its agents, representatives or employees which will participate in any way in the performance of HANSEN'S obligations hereunder has or will have any conflict of interest, direct or indirect, with GLENDALE. Both parties acknowledge that no member of the governing body of GLENDALE, nor any employee of GLENDALE who exercises any functions or responsibilities in connection with the carrying out of the provisions of this Agreement, has any personal interest, direct or indirect, in this contract.

13. RELATIONSHIPS OF THE PARTIES. HANSEN and GLENDALE are independent of each other. This Agreement does not create in any manner or for any purpose an employee-employer relationship or a principal-agent relationship between GLENDALE and HANSEN. Neither party is authorized to enter into Agreements for or on behalf of the other, to create any obligation or responsibility, express or implied, for or on behalf of the other, to accept payment of any obligations due or owed the other, or to accept service of process for the other. Under no circumstance or interpretation will this Agreement be construed as a work for hire. HANSEN shall not subcontract this Agreement or any portion thereof without the prior written approval of GLENDALE. Approval of any subcontract arrangement shall not be construed as making GLENDALE a party to any sub-contract. In no event shall any sub-contract relieve or diminish HANSEN'S obligations and liabilities under this Agreement. GLENDALE shall not be deemed an employer of any subcontractors or any employee of a subcontractor. All interaction with sub-contractor and its employees by GLENDALE will be as though the sub-contractor and its employees were employees and, unless and to the extent of specific limitations, agents of HANSEN. HANSEN shall ensure that all subcontractors and their employees are covered by all applicable, proper, prudent, and sufficient insurance and shall indemnify and hold harmless GLENDALE from any and all claims, actions, lawsuits, etc, brought by subcontractor against GLENDALE, except in the event of GLENDALE'S own negligence. HANSEN expressly agrees that this indemnification covenant is irrevocable. With respect to sub-contractors, GLENDALE shall have no obligations whatsoever to HANSEN for the protection against the disclosure of trade secrets and confidential information; nor shall GLENDALE have any obligation to protect HANSEN'S intellectual property rights, including guarding against derivative works.

14. LIABILITY. Except for the negligence of the City, its officers, managers, employees, or agents, HANSEN shall be liable to GLENDALE for any physical damage to GLENDALE

property or for the death of, or personal injury to GLENDALE personnel arising out of HANSEN'S occupancy, maintenance, repair, replacement, installation, and/or any other work performed pursuant to the contract. HANSEN agrees to indemnify, defend, and hold harmless GLENDALE, and its officers, agents and employees, against and from; (1) any and all losses, claims, damages, lawsuits and liabilities for any personal injury, death, or property damage arising out of, or as a consequence of, any work performed pursuant to the contract; (2) any and all expenses related to claims or lawsuits resulting from the above, including court costs and attorney(s) fees; and (3) any and all penalties and damages incurred by reason of HANSEN'S failure to obtain any required permits or licenses, or to comply with any applicable laws, ordinances, or regulations. HANSEN shall also indemnify, defend, and hold harmless GLENDALE from any claimants supplying labor or materials to the contractor or sub-contractors in the performance of the work required under this contract. GLENDALE reserves the right to request HANSEN to provide written certification that all liens against materials and labor have been satisfied, before GLENDALE will make payment. HANSEN expressly agrees that this indemnification covenant is irrevocable.

15. MODIFICATION, AMENDMENT, SUPPLEMENT OR WAIVER - No modification, amendment, supplement to or waiver of this Agreement or any of its provisions shall be binding upon the parties unless made in writing and duly signed by authorized representatives of both parties. A failure or delay of either party to this Agreement to enforce any of the provisions of this Agreement, or to exercise any option herein provided, or to require performance of any of the provisions hereof. shall not be construed as a waiver of such provision of this Agreement.

16. SEVERABILITY - In the event any one or more of the provisions of the Agreement is for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision which comes closest to the intention of the parties underlying the illegal, invalid or unenforceable provision

17. ENTIRETY OF AGREEMENT - The terms and conditions of any and all appendices, exhibits, schedules, and attachments to this Agreement are incorporated herein by this reference and shall constitute part of this Agreement as if fully set forth herein. Article and paragraph headings used herein are for reference purposes only and shall not be deemed a part of this Agreement. This Agreement, the Professional Services Agreement and the License Agreement constitute the entire Agreement between the parties and supersedes all previous Agreements including promises and representations, whether written or oral, between the parties with respect to the subject matter hereof.

18. NON-PAYMENT - This agreement may be terminated without notice if payment is not received within forty-five (45) days of its due date. If GLENDALE is forty-five days or more delinquent on any obligation to HANSEN, HANSEN may suspend services provided by this Agreement until GLENDALE pays it obligation. No credit or refund will be provided during any period of suspension.

19. ATTORNEY'S FEES - In the event of any litigation, arbitration or other proceeding between the parties relating to this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and other reasonable costs incurred in connection therewith and in pursuing collection, appeals, any other relief to which that party may be entitled.

20. NOTICES. All notices required by this Agreement shall be in writing and sent via first class mail, overnight deliver, courier, or facsimile (if confirmed by one of the preceding mailing methods) to the following addresses:

For Hansen:

Hansen Information Technologies Inc.
2330 Glendale Lane
Sacramento, California 95825

For Glendale:

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

with copy to:

City Attorney's Office
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

21. COOPERATIVE USE. HANSEN agrees that the terms, pricing, and other substantive provisions of this Agreement may be relied upon and used by other governmental agencies and political subdivisions of the State of Arizona in the formulation of similar agreements with HANSEN for the same products that are the subject of this Agreement. Any such reliance or usage by other entities must be in accordance with the charters, statutes, ordinances, rules, and regulations of the respective entity and must be approved by HANSEN, approval which shall not be unreasonably withheld. The extension of the terms of this Agreement to the other entities specified above shall be effective for one (1) year from the date of this Agreement.

22. ASSIGNMENT. Except as provided for herein with respect to subcontractors, HANSEN shall not assign any of the rights, duties, warranties, certifications, or obligations under this Agreement to any other person or entity without the prior written approval of GLENDALE, approval which GLENDALE shall have sole discretion to exercise. Should

this contract be assigned as provided herein, this contract shall be fully binding upon assignee, including provisions for assignment in the event further assignment is sought. Notwithstanding the above, HANSEN may assign this Agreement without GLENDALE'S consent in the event of merger, acquisition or all or substantially all of HANSEN'S assets, or acquisition of a majority of HANSEN'S voting shares.

23. GOVERNING LAW. This Agreement shall be construed under the laws of the State of Arizona.

24. TIMELINESS OF PERFORMANCE. Time is of the essence in the fulfillment of this Agreement.

CITY OF GLENDALE, ARIZONA:

By: _____

Date: 6/5/02

HANSEN INFORMATION TECHNOLOGIES:

By: _____

Date: May 10, 2002

APPROVED AS TO FORM:

Richard H. Flaaen
City Attorney

ATTEST:

City Clerk

Glendale, City of

SMA Renewal

Prepared for: Claire Smith

CRSmith@GLENDALEAZ.COM

Catalog #	HANSEN SOFTWARE MAINTENANCE	Count	Cost
	Service and Maintenance for Hansen Products		
	Coverage Term: 12-1-14/11-30-15		
H7BIC	Hansen 7 - Basic Inventory Control	1	0.00
H7SCK	Hansen 7.x - Spell Checker	1	0.00
HFW-AS02	Hansen 7.x - Sewer - FieldWorks	1	409.91
H7AP-01	Hansen 7.x - Plant/Fleet	20	5,975.47
H7IP	Hansen 7.x - Image Processing (System License)	1	1,701.80
H7AS-01	Hansen 7.x - Sewer	18	9,365.95
H7FTV	Hansen 7.x - Formula Based TV Insp.	1	597.54
H7AE-01	Hansen 7.x - Street	1	186.73
H7AW-01	Hansen 7.x - Water	20	11,240.61
H7TAB	Hansen 7.x - Tab Editor	1	0.00
H7CS-02	Hansen 7.x - Customer Service - COMBINED	36	756.48
H7ID	Hansen 7.x - Image Display	1	0.00
H7AT-01	Hansen 7.x - Storm	10	10,705.81
MARS-ADM	Hansen GEOAdministrator	1	2,274.98
MARS-IMV	Hansen Integrated Map Viewer	5	669.11
	SMA SUBTOTAL		43,884.39
	TOTAL RENEWAL COSTS[1]		43,884.39

Please send Renewal Purchase Order to:

Infor Public Sector, Inc.
ATTN: Shawnna Wagner
FAX- 916.921.6620
PHONE- 916.921.0883 ext 3520
shawnna.wagner@infor.com

Please send payments to:

Infor Public Sector, Inc.
4213 Solutions Center
Chicago, IL 60677-4002

Overnight Mail:

Reference lockbox # 774213
1 Highpoint Business Center
350 East Devon Ave
Itasca, IL 60143
800.832.8024

Infor Authorized Signature ___**BUDGETARY QUOTE ONLY**___

Date: July 24, 2014 Price Estimate by Shawnna Wagner

1- This estimate is based on software that is currently owned, as of 7-24-14, by the City of Glendale. If any additional changes are made to the module/license counts, these amounts will be adjusted accordingly. Taxes may be applied to the invoice if applicable.

Glendale, City of

SMA Renewal

Prepared for: Claire Smith

CRSmith@GLENDALEAZ.COM

Catalog #	HANSEN SOFTWARE MAINTENANCE	Count	Cost
	Service and Maintenance for Hansen Products		
	Coverage Term: 12-1-14/11-30-15		
H7OLE	Hansen 7.x - OLE Container	1	5,566.14
H7LC-01	Hansen 7.x - Construction & Use Permits	85	31,971.30
H7LP-01	Hansen 7.x - Code Enforcement	15	5,189.69
	SMA SUBTOTAL		42,727.13
	TOTAL RENEWAL COSTS[1]		**42,727.13**

Please send Renewal Purchase Order to:

Infor Public Sector, Inc.
ATTN: Shawnna Wagner
FAX- 916.921.6620
PHONE- 916.921.0883 ext 3520
shawnna.wagner@infor.com

Please send payments to:

Infor Public Sector, Inc.
4213 Solutions Center
Chicago, IL 60677-4002

Overnight Mail:

Reference lockbox # 774213
1 Highpoint Business Center
350 East Devon Ave
Itasca, IL 60143
800.832.8024

Infor Authorized Signature ___BUDGETARY QUOTE ONLY**___**

Date: October 31, 2014 Price Estimate by Shawnna Wagner

1- This estimate is based on software that is currently owned, as of 10-31-14, by the City of Glendale. This pricing is contingent on the Reduction Form being executed and returned. If any additional changes are made to the module/license counts, these amounts will be adjusted accordingly. Taxes may be applied to the invoice if applicable.

10/31/2014

Dear Claire Smith,

This letter is to confirm the written request of GLENDALE, CITY OF ("Licensee") to cancel Support for the Component Systems, or reduce the number of Users for the Component Systems, listed in the table below effective as of November 30, 2014 (the "Effective Date"). By signing this letter, you are agreeing that you understand and accept the following changes to be made to the applicable software license, Support and Order Form agreement(s) (collectively, the "Agreements") for such Component Systems between Licensee and Infor (US), Inc. or its affiliate (for itself or as successor in interest to the original licensor of the Component System(s), if applicable) ("Infor"). To confirm your company's agreement to the terms herein, please sign in the space provided below and return it to my attention.

Unless otherwise defined in this letter, capitalized terms herein are defined in the Agreements. In the event the terminology in this letter differs from the terminology used in the Agreements, references to Licensee shall have the same meaning as Customer or Client; references to Component Systems shall have the same meaning as Products, Software Products, Software, or Licensed Programs; references to Support shall have the same meaning as Maintenance and Support, Annual Support, Support Services, On-Going Support or One Point Support; references to Order Form shall have the same meaning as Schedule, Supplement or Supplemental Schedule; and references to Users shall refer to the applicable license methodology for the Component System(s) listed below (e.g., named user, concurrent session).

Licensee:	GLENDALE, CITY OF	1-372299
	Claire Smith	CRSmith@GLENDALEAZ.COM
	Hansen 7	

Component Systems for which Support or Users are cancelled:

	A	B	C	D	E	F	G	H
	Part # (if applicable)	Component System	Support for Entire Component System Cancelled	# of Users Can-celled	# of Users Left	License Methodology (e.g., Named User, Concurrent Session)	New License Key Required	Location of Server
1	H7LC-01	Hansen 7.x - Construction & Use Permits	No	21	85	Users	No	
2	H7LP-01	Hansen 7.x - Code Enforcement	No	8	15	Users	No	
3								
4								
5								
6								
7								
8								

9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

Other Terms:

Cancellation of Support for Entire Component System:

Upon cancellation of Support for a Component System (as indicated in the table above by a "Yes" in column C), Infor shall have no obligation to provide, and Licensee shall have no right to receive, Support (including, without limitation, any access to phone support, online assistance, updates or enhancements) for the applicable Component System. In addition, upon the Effective Date, Licensee shall discontinue all use of such Component System in the licensed environment(s) for which Support has been cancelled. If, under this letter, Licensee is cancelling Support for all Component Systems licensed under the Agreements pursuant to a contractual right of non-renewal, then the preceding sentence shall not apply.

If the Component System for which Support is cancelled is subject to an annual license fee or otherwise is of a type where ongoing Support is required in order to have a license to use such Component System under the Agreements, then all license rights granted for such Component System shall terminate and Licensee must immediately discontinue all use of such Component System (whether in a production or non-production environment) upon the Effective Date.

Cancellation of Users:

If Licensee is cancelling Users (as reflected in column D), all rights of use (production and non-production) granted to Licensee under the Agreements for and relating to such Users shall terminate, and Infor shall have no further obligations with respect thereto.

Licensee acknowledges and agrees that in connection with a cancellation of Users, the installation of a new license key may be required (as indicated in the table above by a "Yes" in column G). If so required, Licensee agrees to install the key upon receipt.

Effect of Cancellation; Reinstatement:

Cancellation of Support or Users, in whole or part, shall have no effect on Licensee's current and outstanding obligations to pay fees due and payable under the Agreements, and Licensee shall remain at all times obligated to pay such fees to Infor pursuant to the terms of the Agreements. In the event Licensee wishes to reinstate cancelled Support or Users at any time after the Effective Date, Licensee shall be required to pay Infor's then-current fees for such reinstatement (typically equal to payment of all Support fees during any period of cancellation plus a twenty-five percent (25%) reinstatement charge) and to execute such applicable documentation as provided by Infor. Fees for reinstatement are subject to change in accordance with Infor's then-current policies.

Use Restrictions:

Other than as expressly provided in this letter, nothing herein shall modify any restrictions governing the use of the Component Systems as set forth in the Agreements, including, without limitation, with respect to applicable tier, equipment or server requirements or other license terms.

If you have an outstanding Support renewal notice, you will receive a revised notice reflecting the above cancellation. If you do not, these changes will take effect as of the next Support renewal date. Should you have any questions regarding this, please contact me; otherwise please return this form via fax to: 916-848-0597.

Thank You,

Shawnna Wagner
shawnna.wagner@infor.com
Infor

The foregoing terms and conditions are agreed by the following authorized representatives of the parties:

Infor	Licensee: GLENDALE, CITY OF
By: _____	By: _____
Name Printed:	Name Printed:
Title:	Title:
Date:	Date:

File #: 14-368, **Version:** 1

AUTHORIZATION TO ENTER INTO A USER AGREEMENT WITH VERIZON WIRELESS FOR CELLULAR SERVICES UTILIZING A WESTERN STATES CONTRACTING ALLIANCE COOPERATIVE CONTRACT

Staff Contact: Tom Duensing, Director, Finance and Technology

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a two-year user agreement with Verizon Wireless as a provider of wireless voice and data services in an amount not to exceed $343,000 per year or $686,000 over the approximately two year period. This cooperative purchase is available through an agreement between the Western States Contracting Alliance and Verizon Wireless and is effective through October 31, 2016.

Background

Verizon Wireless is a complementary supplier of cellular services within the City and is used in multiple departments to provide voice and data services. Verizon Wireless has been used within the City for many years based on business need.

This purchase utilizes a Western States Contracting Alliance (WSCA) cooperative agreement to procure the Verizon Wireless services. WSCA is a unit of local government and a political subdivision of the State of Arizona. All products offered through WSCA have been awarded by virtue of a public competitive process.

Cooperative purchasing allows governmental entities to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process used complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Materials Management.

Analysis

Wireless capability is essential in the provision of expected services to our citizens, as it enables mobile access for both voice and data services. Employees are no longer tethered to their desks and can remain in the field with the ability to access essential information for performing their jobs. Information conveyed to mobile devices includes, but is not limited to, infrastructure diagrams, arrest records, location information, and certain data necessary for the processing of permits and reports.

Budget and Financial Impacts

Departments utilize Verizon budget for wireless services based on their anticipated needs during the annual budget process. These departments directly receive and pay monthly bills based on usage.

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

WESTERN STATES CONTRACTING ALLIANCE #1907
AUTHORIZED USER AGREEMENT

Verizon Wireless ("Vendor") and the State of Nevada, for itself and on behalf of the Western States Contracting Alliance ("WSCA" and/or "Customer"), have entered into a Contract for Services of Independent Contractor #1907 ("Contract") and any and all related amendments or addenda to the Contract. The Contract has an effective date beginning on April 16, 2012 through and including October 31, 2016, unless the term of the Contract is extended. . Pursuant to the Contract, the State of Arizona has entered into a Participating Addendum ("PA") designating City of Glendale, a government entity, not for profit entity or a private education entity as an authorized user ("Authorized User"). In no event will the City of Glendale remain an Authorized User after October 1, 2019.

In accordance with the definitions, terms and conditions set forth in the Contract and/or PA City of Glendale, as an authorized entity, may purchase wireless services and products under the terms, conditions, and pricing established by the Contract and/or PA for Authorized User participation. Participation is further subject to any and all applicable state and local purchasing statutes and ordinances. The Authorized User states, acknowledges and agrees, as follows:

(1) Agency Name: City of Glendale;
(2) It is an Authorized User as defined under the terms of the Contract and/or PA;
(3) Authorized User is eligible and desires to purchase wireless services and products from Vendor pursuant to the terms and conditions of the Contract, PA, User Agreement, any and all amendments, addenda and schedules as the Customer may specify from time to time, as well as the terms and conditions of all calling plans activated under this User Agreement, which are incorporated herein by reference;
(4) Authorized User will provide documentation and substantiate Authorized User status as appropriate and as requested from time to time by Vendor;
(5) The Authorized User agrees to the terms and conditions of the WSCA Master Agreement including the disclosure of limited account information as part of the contractual reporting requirements to WSCA Administration and the participating state;
(6) Authorized User will ensure that this User Agreement will be used only in support of government, not for profit or private education business;
(7) The undersigned represents and warrants that he/she has the power and authority to execute this User Agreement, bind the respective Authorized User, and that the execution and performance of this User Agreement has been duly authorized by all necessary Authorized User action; and
(8) The undersigned is duly authorized by the Authorized User to designate the following individual(s) (the "Authorized Contacts") who are authorized to take action with respect to the account with Vendor to purchase equipment, add lines of service, cancel lines of service and make changes to the account that financially bind the Authorized User to the terms and conditions of this User Agreement, the Contract, the PA, and execute Customer Agreements for the lines of wireless service, subject to the additional terms and conditions therein.

FEIN Number (Federal Tax ID): **86-6000247**
Customer Address: **6830 N 57th Dr., Glendale, AZ 85301**
Customer Phone number: **623-930-2880**
Customer Email address: **crsmith@glendaleaz.com**
Sales Representative Name: **Renee Chappelle**
Wireless Phone Number: **908-559-7491**

Authorized Signature:
Name:
Title:
Date:

2.4.2013 Data furnished in this document shall not be duplicated, used, disclosed in while or in part for any purpose other than to evaluate the document.

PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE
WIRELESS SERVICES 2012-2016
Administered by the State of Nevada (hereinafter "Lead State")

MASTER PRICE AGREEMENT
Cellco Partnership d/b/a Verizon Wireless
(hereinafter "Contractor")
Contract Number: 1907
And
State of Arizona
(hereinafter "Participating Entity")
State of Arizona Contract Number: ADSPO13-034099

1. Scope: Verizon Wireless ("Contractor") and the State of Nevada, for itself and on behalf of the Western States Contracting Alliance ("WSCA" and/or "Customer"), have entered into a Master Service Agreement #1907 ("Contract") with an effective date beginning on April 10, 2012. This addendum covers the WIRELESS SERVICES for use by state agencies and other eligible entities authorized by that state's statutes to utilize **state/entity** contracts.

2. Participation: Use of specific **WSCA** cooperative contracts by agencies, political subdivisions and other entities (including cooperatives and non-profits) authorized by an individual state's statutes to use **state/entity** contracts are subject to the acknowledgement of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official. Pursuant to WSCA rules and policies, entities in those states without a State PA to the Master Contract are eligible to participate in this contract, to the extent permitted by their state and local procurement laws and regulations.

INDIVIDUAL CUSTOMER: Each State agency, political subdivision or other entity acting as a Participating Entity, that purchases products/services will be treated as if it was an Individual Customer. Except to the extent modified by this Participating Addendum, each agency, political subdivision or other entity will be responsible for compliance with the terms and conditions of the Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each agency, political subdivision or other entity will be responsible for its own charges, fees, and liabilities. Each agency, political subdivision or other entity will have the same rights to any indemnity or to recover any costs allowed in the contract for its purchases. The Contractor will apply the charges to each Participating Entity individually.

The Individual Customer agrees to the terms and conditions of the Contract including the disclosure of limited account information as part of the contractual reporting requirements to WSCA and/or the Participating Entity for purposes of monitoring the contract and calculating the administrative fees. .

3. Intentionally Omitted.

4. Lease Agreements: **NONE**

5. Primary Contacts: The primary contact individual for this participating addendum are as follows (or their named successors):

Lead State

Name	Teri Smith, Purchasing Officer
Address	515 E. Musser St, Suite 300, Carson City, NV 89701
Telephone	775-684-0178
Fax	775-684-0188
E-mail	tlsmith@admin.nv.gov

Contractor

Name	Cellco Partnership d/b/a Verizon Wireless
Address	8350 East Crescent Pkwy, Attn: RJ Fenolio, Greenwood Village, CO 80111
Telephone	(702) 283-2200
Fax	(866) 917-8701
E-mail	rj.fenolio@verizonwireless.com

Participating Entity

Name	David Wisniewski
Address	100 North 15th Avenue, Phoenix, AZ 85007
Telephone	602 542-9107
Fax	602 542-5508
E-mail	david.wisniewski@azdoa.gov

6. Subcontractors:
NONE

7. Purchase Order Instructions: All Purchasing Entities issuing valid Purchase Orders will be bound by the terms and conditions of the WSCA Master Agreement including, without limitation, the obligation to pay Contractor for Service and Equipment provided. The parties acknowledge and agree that orders submitted to Contractor from a Purchasing Entity through the Purchasing Entity's Business Procurement Card are authorized Purchase Orders under the WSCA Master Agreement.

8. Price Agreement Number: All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: ADSPO13-034099 and the Lead State price agreement number: 1907

This Participating Addendum including Exhibits A and B, and the Master Price Agreement number 1907 (administered by the State of Nevada) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof.

Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of the WSCA Master Agreement, including those contained in this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State.

9. Compliance with reporting requirements of the "American Recovery and Reinvestment Act of 2009" ("ARRA"): If or when contractor is notified by ordering entity that a specific purchase or purchases are being made with ARRA funds, contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol. 74 #61, Pages 14824-14829 (or subsequent changes or modifications to these requirements as published by the Federal OMB). Ordering entity is responsible for informing contractor as soon as the ordering entity is aware that ARRA funds are being used for a purchase or purchases. Contractor will provide the required report to the ordering entity with the invoice presented to the ordering entity for payment. The contractor, as it relates to purchases under this contract, is not a subcontractor or subgrantee, but simply a provider of goods and related services.

10. Participating Addendum Term: The term of this Participating Addendum will commence on the date of full execution by both parties and will continue until October 31st, 2015 unless canceled, terminated or extended as otherwise provided herein.

11. Participating Addendum Extension: The contract term is subject to additional successive periods of one year extensions with a maximum aggregate including all extensions not to exceed 5 years.

The undersigned represents and warrants that he/she has the power and authority to execute this PA, bind the respective Participating Entity, and that the execution and performance of this PA has been duly authorized by all necessary parties

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating State:	Contractor:
By: Susan Bayer	By:
Name: Susan Bayer	Name: Todd Loccisano
Title: Procurement Manager	Title: Executive Director, Enterprise & Government Contracts
Date: 11-29-12	Date: 11/29/2012

Exhibit A – Arizona Special Terms and Conditions to PARTICIPATING ADDENDUM

State of Arizona Contract Number: ADSPO13-034099

1. **Eligible Agencies (Statewide)**

This contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632.

2. **Administrative Fee**

Contractor shall pay an Administrative Fee to the State in the amount of one percent (1%) of the total contract sales. The Administrative Fee is calculated based on all sales transacted under the contract, minus all taxes and any returns or credits. The Administrative Fee shall not be charged directly to the customer, e.g., as a separate line item, a fee or a surcharge, but shall be included in the contract's unit prices.

The Administrative Fee shall be submitted, along with a Quarterly Usage Report documenting all contract sales, to the State Procurement Office within thirty (30) days following the end of each calendar quarter. For more information on the Quarterly Usage Report or the Administrative Fee, its calculation, submission or use, see the State Procurement Office's web site at http://spo.az.gov/Contractor_Resources/Admin_Fee.

At its option, the State may limit the applicability of the Administrative Fee to contract sales from some customers and not to others, e.g., fee is only applicable to sales from members of the State Purchasing Cooperative and not sales to State Agencies. See the State's website (above) form more information in this regard. The State will provide thirty (30) days written notice before exercising or changing this option.

Failure to remit Administrative fees in a timely manner or remit fees inconsistent with the contract's requirements may result in the State exercising any recourse available under the contract including a third party audit of all contract activity. Should an audit be required by the State, the contractor shall reimburse the State for all costs associated with the audit up to $5,000.

3. **Licenses**

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor.

4. **Volume of Work**

The State does not guarantee a specific amount of work either for the life of the Contract or on an annual basis.

5. **Payment Procedures**

The State will not make payments to any Entity, Group or individual other than the Contractor with the Federal Employer Identification (FEI) Number identified in the Contract. Contractor invoices

requesting payment to any Entity, Group or individual other than the contractually specified Contractor shall be returned to the Contractor for correction.

The Contractor shall review and insure that the invoices for services provided show the correct Contractor name prior to sending them for payment.

If the Contractor Name and FEI Number change, the Contractor must complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Contractor. The State must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Contractor and entered into the system prior to any payments being made to the new Contractor.

6. Non-Exclusive Contract

Any Contract entered into by the State of Arizona shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

7. Information Disclosure

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

8. Order Process

The award of a Contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under Contract with the State is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

9. Offshore Performance of Work Prohibited

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

10. Access Constraints and Requirements

Contractor access to State facilities and resources shall be properly authorized by State personnel, based on business need and **will be restricted to least possible privilege**. Upon approval of access privileges, the Contractor shall maintain strict adherence to all policies,

standards, and procedures. Policies / Standards, ADOA/ASET Policies / Procedures, and Arizona Revised Statues (ARS) 28-447, 28-449, 28-450, 38-421, 13-2408, 13-2316, 41-770).

Failure of the Contractor, its agents or subcontractors to comply with policies, standards, and procedures including any person who commits an unlawful breach or harmful access (physical or virtual) will be subject to prosecution under all applicable state and / or federal laws.

Any and all recovery or reconstruction costs or other liabilities associated with an unlawful breach or harmful access shall be paid by the Contractor.

11. Section 508 Compliance

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-2531 and § 41-2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

12. E-Rate Compliant

Contractor must commit to participation in the Federal Communication Commission's E-rate discount program established under authority of the Federal Telecommunications Commission Act of 1996. Participation in, and implementation of, this program must be provided without the addition of any service or administration fee by the Contractor.

13. Indemnification Clause

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all 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 or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor 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 Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising directly from the work performed by the Contractor for the State of Arizona under this contract.

14. Insurance Requirements

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, 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 the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way

limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury 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
• Blanket Contractual Liability – Written and Oral	$1,000,000
• Fire Legal Liability (Damage to Rented premises)	$ 50,000
• Each Occurrence	$1,000,000

a. The policy shall be endorsed to include the following additional insured language: **"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor".**

b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	$ 500,000
Disease – Each Employee	$ 500,000
Disease – Policy Limit	$1,000,000

a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required on the general liability insurance policies. Such additional insured shall be covered to the full limits of

liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources as relates to Contractor operations.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to David Wisniewski, 100 North 15th Avenue, Phoenix, AZ 85007 .

D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates blanket additional insured endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to David Wisniewski, 100 North 15th Avenue, Phoenix, AZ 85007. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. If there is a claim, the State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.**

F. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

H. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

15. Optimization Assistance

Contractor agrees to provide at no charge rate plan optimization analysis services, recommendations and reporting on an as requested basis.

16. Employee Subscriptions for Personal Use

Employees are not authorized to make purchases for personal use from this contract and contractor must comply with section R2-7-204 of the State procurement Code.

17. Replaced Section

The following replaces section 3.7 in Exhibit B in its entirety: Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract specifically for the State are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

18. Contract Document Order of Precedence

In the event of a conflict in the provisions of the Contract, as executed by the State and Contractor as they may be amended by this Participating Addendum, the following shall prevail in the order set forth below:

1) Specials Terms and Conditions of the Participating Addendum
2) Uniform Terms and Conditions of the Participating Addendum
3) The Participating Addendum agreed to by the State and Contractor
4) The Master Services Agreement
5) The Solicitation by the State of Nevada

Attachment A – Arizona Uniform Terms and Conditions to PARTICIPATING ADDENDUM

State of Arizona Contract Number: ADSPO13-034099

1. ***Definition of Terms***. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1.1 *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.

1.2 *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

1.3 "*Contract Amendment*" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

1.4 *"Contractor"* means any person who has a Contract with the State.

1.5 *"Days"* means calendar days unless otherwise specified.

1.6 *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

1.7 *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

1.8 "*Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

1.9 *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

1.10 *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

1.11 *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

1.12 *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

1.13 *"State Fiscal Year"* means the period beginning with July 1 and ending June 30,

2 Contract Interpretation

2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

2.3.1 Special Terms and Conditions;
2.3.2 Uniform Terms and Conditions;
2.3.3 Statement or Scope of Work;
2.3.4 Specifications;
2.3.5 Attachments;
2.3.6 Exhibits;
2.3.7 Documents referenced or included in the Solicitation.

2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract administration and operation.

3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable

times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

3.8 Ownership of Intellectual Property

Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

3.9 Federal Immigration and Nationality Act The Contractor shall comply with all federal, state, and local immigration laws and regulations relating to the immigration status of their employees during the term of the Contract. Further the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers or any employee thereof to ensure compliance. Should the State determine that the contractor and or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including but not limited to; suspension of work, termination of the contract for default and suspension and or debarment of the contractor.

3.10 E-Verify Requirements In accordance with A.R.S 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. 23-214, Subsection A.

3.11 Scrutinized Businesses In accordance with A.R.S. 35-391 and A.R.S. 35-393, Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.

4 Costs and Payments

4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

4.3 Applicable Taxes.

4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1 Accept a decrease in price offered by the, contractor
4.5.2 Cancel the Contract
4.5.3 Cancel the contract and re-solicit the requirements.

5 Contract changes

5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such

changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2 Indemnification

6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."

6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term *"force majeure"* means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to

act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

7.6 Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8 State's Contractual Remedies

8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2 Stop Work Order.

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or

services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the

Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 Contract Claims. All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11 Arbitration. The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12 Comments Welcome. The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona 85007.

File #: 14-386, **Version:** 1

AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH GREENBERG TRAURIG, LLP FOR THE PROVISION OF BOND COUNSEL SERVICES UTILIZING AN ARIZONA STATE AND GREENBERG TRAURIG, LLP PURCHASING COOPERATIVE CONTRACT

Staff Contact: Tom Duensing, Director, Finance and Technology

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into an approximately one year linking agreement and to approve up to two additional, one-year renewal options with Greenberg Traurig, LLP for the provision of bond counsel services. This cooperative purchase is available through an agreement between the State of Arizona and Greenberg Traurig, LLP (Contract No. ADSPO12-032930) and is effective through August 31, 2015 with up to two additional, one-year renewal options by the State. City Manager approval of one-year renewals is dependent upon State of Arizona renewal.

Background

Currently, the City of Glendale has in excess of $1 billion in outstanding debt. In addition, the City has historically relied on issuing debt as an effective means to finance capital projects with long useful lives. Bond/debt refinancing is also critical to ensure the City is able to utilize the market to minimize debt services costs. Currently, the City has a number of bonds outstanding as summarized below:

- General Obligation (GO) Bonds
- Water/Sewer Revenue Obligations
- Highway User Revenue Fund (HURF) Revenue Obligations
- Transportation Revenue Obligations
- Municipal Property Corporation Excise Tax Bonds

As bond financing and refinancing is a highly regulated environment, bond counsel is an essential member of a governmental issuer bond financing team. Bond counsel renders an opinion on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation. The opinion of bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements relevant to the matters covered by the opinion are met. An issuer should assure itself that its bond counsel has the necessary expertise to provide an opinion that can be relied on and will be able to assist the issuer in completing the transaction in a timely manner.

Analysis

The Government Finance Officers' Association (GFOA) recommends that issuers select bond counsel on the basis of merit using a competitive process and review those relationships periodically. In June 2012, the State

of Arizona issued Request for Proposal (RFP) ADSPO12-00001775 for bond counsel services and awarded bond counsel services to Greenberg Traurig in September 2012. Contained in this RFP was the ability for the contract to be used by State Purchasing Cooperative members. The City is a member of the State Purchasing Cooperative.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Materials Management.

Although five qualified respondents to the RFP were selected by the State, the City is recommending a linking agreement with Greenberg Traurig, LLP due to their vast Arizona municipal experience including significant experience with the City of Glendale.

Community Benefit/Public Involvement

Bond issuance and refinancing deals directly impact the cost of borrowing (debt service costs) of the City. Bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements are met and works closely with City staff and the City's financial advisor to ensure relevant legal issues are addressed.

Budget and Financial Impacts

Payments to Greenberg Traurig, LLP are typically paid when bonds are issued and become part of the issuance costs. The amount of payment is typically dependent upon the total debt being issued or restructured and follow a per bond pricing structure. Hourly pricing has been provided for services not related to debt issuance; however, these types of payments are atypical for this type of agreement. For any bond counsel services, adequate budget capacity must exist to fund these fees.

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA AND
GREENBERG TRAURIG, LLP

THIS LINKING AGREEMENT (this "Agreement") is entered into as of _____ 2014, between the City of Glendale, an Arizona municipal corporation (the "City"), and GREENBERG TRAURIG, LLP, an Arizona limited liability partnership authorized to do business in Arizona ("Contractor"), collectively, the "Parties."

RECITALS

A. The State of Arizona on September 26, 2012 entered into Contract Number ADSPO12-032930, and subsequently the parties entered into various amendments to the contract (collectively, the "Greenberg Traurig, LLP Contract"), a copy of which is incorporated by this reference.

B. The City is permitted to purchase the goods and services described in the Greenberg Traurig, LLP Contract without further public bidding, and the Greenberg Traurig, LLP Contract 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 Greenberg Traurig, LLP Contract.

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 Greenberg Traurig, LLP Contract, Contractor consents to the City's utilization of the Greenberg Traurig, LLP Contract 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 by reference, and the covenants and promises contained in this Agreement, the parties agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first set forth above and expires on September 25, 2015, the termination date provided in Amendment 2 to Greenberg Traurig, LLP Contract. At the option of the Parties, this Agreement may be

extended for additional periods consistent with extensions approved for the Greenberg Traurig, LLP Contract. All terms, conditions and provisions of the original contract and its amendments shall remain unchanged.

2. Scope of Work; Terms, Conditions, and Specifications.

   a) As requested by the City, Contractor will provide City the identical supplies, goods or services Contractor provides the State of Arizona under the Greenberg Traurig, LLP Contract.

   b) Contractor agrees to comply with all the terms, conditions and specifications of the Greenberg Traurig, LLP Contract for the purposes of this Agreement, and the terms, conditions, and specifications are incorporated in this Linking Agreement by this reference. The "City of Glendale" shall be substituted for "State of Arizona" or similar references throughout the Greenberg Traurig, LLP Contract.

   c) Contractor will provide a Certificate of Insurance pursuant to the terms of the Greenberg Traurig, LLP Contract listing the City of Glendale as an Additional Insured.

3. Compensation.

   a) For work performed on an hourly basis, City shall pay Contractor the same compensation the State of Arizona pays Contractor under the Greenberg Traurig, LLP Contract pursuant to Attachment V of the Greenberg Traurig, LLP Contract, attached hereto as Exhibit "A".

   a) Compensation for loan and bond services provided to the City as authorized in this Agreement shall be consistent with the pricing set forth in Exhibit B hereto, which is a summary of the all-inclusive fees in the Greenberg Traurig, LLP Contract and part of the documentation submitted on ProcureAZ. Total amounts paid will are based upon mutual agreement between the City and Greenberg Traurig, LLP and dependent upon the services requested by the City. In addition, the City may from time to time elect to purchase additional goods and services from Contractor pursuant to the Greenberg Traurig, LLP Contract, and the City will comply with all applicable laws regarding procurement and approval of such purchases.

[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 C orporation

By: _____
Name: Brenda S. Fischer
Title: City Manager

"Contractor"

Greenberg Traurig, LLP

By:_____
Name: William R. DeHaan
Title: Shareholder

ATTEST:

_____
City Clerk

Approved as to Form

_____
City Attorney

Attachment V

State of Arizona
State Procurement Office
100 N 15th Ave., Suite 201
Phoenix, AZ 85007

Description: Bond Counsel Services– Pricing Schedule	Offeror Name: Greenberg Traurig, LLP

1. The Offeror shall provide an all-inclusive fee (excludes third party costs such as for printing that are approved by the Issuer), based on the size, or size range, for **Lease Purchase Transactions** involving the sale of Certificates of Participation. Pricing shall be entered in the line items tab in ProcureAZ.

1.1 Specify any fee differences between negotiated and competitive issues, new money and refunding issues, and credit enhanced versus non-credit enhanced issues.

Generally speaking, there would be no difference in fees as a result of these factors. If we were required to review and negotiate a separate agreement not typically entered into by the Issuers (e.g. letter of credit reimbursement agreement or interest rate swap), we would reserve the right to include an additional fee not to exceed $10,000 per agreement. We note that bond counsel assumes primary drafting responsibility for drafting the offering documents and rendering an opinion as disclosure counsel for some, but not all of the Issuers. For those Issuers that would like us to perform those services, we propose a separate fee of $15,000 to $20,000 for preparing the offering documents beyond those sections customarily prepared by bond counsel) and an additional fee of $15,000 to $20,000 for conducting the due diligence call with the underwriters and rendering an opinion customarily rendered by disclosure counsel.

2. The Offeror shall provide an all-inclusive fee (excludes third party costs such as for printing that are approved by the Issuer), based on the size, or size range, for Bond Transactions (other than Lease Purchase Transactions and Transportation Bonds). Pricing shall be entered in the line items tab in ProcureAZ.

2.2 Specify any fee differences between negotiated and competitive issues, new money and refunding issues, and credit enhanced versus non-credit enhanced issues and bonding authority.

See the response to Section 1.1 above.

3. The Offeror shall provide an all-inclusive fee (excludes third party costs such as for printing that are approved by the Issuer), based on the size, or size range, for Transportation bonds – HURF, RARF, and GANS. Pricing shall be entered in the line items tab in ProcureAZ.

3.1 Specify any fee differences between negotiated and competitive issues, new money and refunding issues, credit enhanced versus non-credit enhanced issues and any differences due to bonding authority (HURF,RARF, GANS).

See the response to Section 1.1 above.

4. The Offeror shall provide an hourly rate schedule for each proposed key person who may provide services relating to matters not covered by the fixed fee.

KEY PERSONNEL	HOURLY RATE
Bill DeHaan	$550
Michael Cafiso	$600
Brigitte Finley Green	$500
Carla Young	$500
	$
	$

END OF SOLICITATION

Exhibit B

Greenberg Traurig, LLP
Summary of All-Inclusive Fees as Submitted to ProcureAZ

Lease Purchase					
From		To		Fee	
$	-	$	10,000,000	$	40,000
$	10,000,000	$	15,000,000	$	40,000
$	15,000,000	$	20,000,000	$	40,000
$	20,000,000	$	25,000,000	$	50,000
$	25,000,000	$	50,000,000	$	60,000
$	50,000,000	$	100,000,000	$	70,000
$	100,000,000	$	150,000,000	$	85,000
$	150,000,000	$	200,000,000	$	95,000
$	200,000,000	$	250,000,000	$	105,000
$	250,000,000	$	300,000,000	$	115,000
$	300,000,000	$	350,000,000	$	125,000
$	350,000,000	$	400,000,000	$	140,000
$	400,000,000	+		$	150,000

Debt Transaction					
From		To		Fee	
$	-	$	10,000,000	$	40,000
$	10,000,000	$	25,000,000	$	40,000
$	25,000,000	$	50,000,000	$	50,000
$	50,000,000	$	100,000,000	$	75,000
$	100,000,000	$	150,000,000	$	85,000
$	150,000,000	$	200,000,000	$	95,000
$	200,000,000	$	250,000,000	$	105,000
$	250,000,000	$	300,000,000	$	115,000
$	300,000,000	$	350,000,000	$	125,000
$	350,000,000	$	400,000,000	$	140,000
$	400,000,000	+		$	150,000

Transportation Bonds					
From		To		Fee	
$	-	$	50,000,000	$	50,000
$	50,000,000	$	100,000,000	$	65,000
$	100,000,000	$	150,000,000	$	80,000
$	150,000,000	$	200,000,000	$	90,000
$	200,000,000	$	250,000,000	$	100,000
$	250,000,000	$	300,000,000	$	115,000
$	300,000,000	$	350,000,000	$	125,000
$	350,000,000	$	400,000,000	$	130,000
$	400,000,000	+		$	150,000 to $ 185,000

	Fee
Each additional loan or bond purchase agreement	$ 15,000

File #: 14-377, **Version:** 1

EXPENDITURE AUTHORIZATION FOR PRISONER DETENTION SERVICES FROM MARICOPA COUNTY
Staff Contact: Debora Black, Police Chief

Purpose and Recommended Action

This is a request for City Council to ratify the expenditure authorization of monthly payments for July through October 2014 by the City Manager to Maricopa County for prisoner detention services, and authorize expenditure authorization for future payments necessary in the remaining fiscal year for a total expenditure not to exceed $1,954,788.

Background

Glendale Police Department (GPD) has been using Maricopa County's detention facility for over 50 years. Although GPD has a detention facility, it is only deemed for temporary stays and is not permitted to hold misdemeanor defendants past 48 hours, due to the lack of shower facilities, laundry facilities, and a medical clinic, which are standards set by the Commission on Accreditation for Law Enforcement Agencies, Inc. The GPD pays Maricopa County for housing inmates that are sentenced to more than 48 hours by Glendale City Court, or anyone held on charges for more than 48 hours waiting to see a judge.

Analysis

It is Maricopa County's practice to distribute annual Jail per Diem Billing Rates for Cities and Towns, but not to enter into an Intergovernmental Agreement. For FY 2014-15 the rates are: $266.41 per booking and $81.85 per day. Maricopa County has the only detention facility in the county that has the ability to provide these services for the City of Glendale. GPD performs monthly audits on the invoices to ensure accuracy.

Staff is requesting that Council ratify the expenditure authorization of monthly payments for July through October 2014 by the City Manager to Maricopa County for prisoner detention services, and authorize expenditure authorization for future payments necessary in the remaining fiscal year.

Previous Related Council Action

On September 10, 2013, Council approved expenditure authorization by the City Manager to Maricopa County for detention services provided in FY 2013-14 in an amount not to exceed $2,035,418.

Budget and Financial Impacts

Funding for these detention services is available in the General Fund and was approved in the FY 2014-15 Council adopted budget for the Police Department.

Cost	Fund-Department-Account
$1,954,788	**1000-12220-531800, General Fund-PD Detention-Prisoner Maintenance**

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

File #: 14-436, **Version:** 1

AUTHORIZATION TO RENEW THE SOFTWARE MAINTENANCE SERVICE CONTRACT WITH INTERGRAPH CORPORATION FOR THE GLENDALE POLICE DEPARTMENT COMPUTER AIDED DISPATCH SYSTEM
Staff Contact: Debora Black, Police Chief

Purpose and Recommended Action

This is a request for City Council to authorize the renewal of the software maintenance service contract with Intergraph Corporation in the approximate amount of $207,768.59 for the Computer Aided Dispatch System (CAD), and authorize the City Manager or designee to automatically renew the software maintenance contract annually upon consent of both parties for up to five years for a total amount not to exceed $1,148,052.61. In addition, this is also a request to use approved RICO Funding and approve a RICO Fund contingency budget transfer.

Background

The CAD/Records Management System (RMS) project for the Glendale Police Department (GPD) began in 2011 to establish a more technologically advanced, reliable, supportable and fully integrated system with CAD and RMS engineered to work together. The GPD desired a system capable of more accurately deploying resources, and improved access to critical information for officers responding to calls for service. The goal of the integrated CAD/RMS was to enable the GPD to better analyze trends, link crimes, identify suspects, make arrests, and improve the quality of field reporting.

During the course of implementing the project, additional interfaces, customizations, and software modules were identified as being necessary to achieve the desired outcome for the project. Funds initially planned for two years of software maintenance after the extended warranty were reallocated for additional project funding. Enhancements were developed and implemented for the CAD System as the first phase of the project; and the CAD system went live on November 4, 2013. The CAD extended warranty has come to a conclusion and GPD has determined it's in the best interest of the city to renew the software maintenance service contract with Intergraph Corporation.

Analysis

Approximately $4,650,000 has been invested in the new CAD/RMS system. Proper maintenance and support services are imperative to protect the investment. The cost for the first year of software maintenance for CAD is $207,768.59, including sales tax, with the annual amount increasing 5% each year. Staff is recommending that Council authorize the renewal of the software maintenance service contract with Intergraph Corporation and authorize the City Manager or designee to automatically renew the contract annually upon consent of both parties.

Previous Related Council Action

On December 10, 2013, Council authorized the City Manager to reallocate funds initially planned for system maintenance, additional project funding, and Amendment No. 1 to the agreement with Intergraph Corporation to support the application for the CAD/RMS project.

On October 25, 2011, Council authorized the expenditure for the purchase and implementation of a new CAD/RMS system for the GPD and authorized the City Manager to enter into an agreement with Intergraph Corporation.

Budget and Financial Impacts

Racketeering Influenced Corrupt Organization (RICO) funds will be utilized for the first year software maintenance service contract with Intergraph Corporation for CAD in the approximate amount of $207,768.59. Fund availability for future year costs will be determined and included in the Police Department's proposed operating budgets. Additionally, a RICO Fund contingency budget transfer is required to provide budget appropriation for the software maintenance account. Funding is available in the RICO Fund (1860).

Cost	Fund-Department-Account
$207,768.59	**1860-32030-522700, State Rico**

Capital Expense? No

Budgeted? No

Requesting Budget or Appropriation Transfer? Yes

If yes, where will the transfer be taken from? Account No. 1860-32030-510200 Dept. Contingency

INTERGRAPH

Quote #1-9S9F6T

Period of Performance: 12/01/2014 through 11/30/2015

Customer	Glendale AZ Police Department Attn: Rick St. John Technical Services Administrator 6835 North 57th Drive Glendale, AZ 85301	Billing Address:	Glendale AZ Police Department Attn: Rick St. John Technical Services Administrator 6835 North 57th Drive Glendale, AZ 85301

Quotation

SW Maint	$189,590.20
Services	$500.00
Total Service Cost *	$190,090.20

Service Level: Premium
Billing Terms: PREPAID

The maintenance services quoted herein are subject to the attached U.S. Maintenance Terms and Conditions. This agreement shall only become binding and effective upon the written acceptance by Intergraph. This quotation expires ninety 90 days from the date of issue by Intergraph.

***Total is exclusive of applicable taxes. Applicable taxes will be added to the invoice.**

THIS IS NOT AN INVOICE

Offered By: Intergraph Corporation
Security, Government & Infrastructure
(SG&I) Division

Name: Trey Sampson
Trey Sampson
Maintenance Contract Administrator

Telephone #: 2567308106

Email: trey.sampson@intergraph.com

Date: 10/31/2014

Fax #: 1-256-730-5641

Accepted By: _____

Name: _____

Title: _____

Telephone #: _____

Email: _____

Date: _____

☐ A Purchase Order will not be issued. Customer signature above constitutes notice to proceed with this agreement.

☐ A Purchase Order will be issued and shall reference the terms and conditions of above referenced quote.

Exhibit A

Security, Government and Infrastructure

Glendale AZ Police Department

PO#: TBD

Account Nbr: MDC-4749

Performance Period: 12/01/2014 Through 11/30/2015

Quote: 1-9S9F6T-Glendale AZ Police Department CAD

Service Level: Premium

Bill To:

Glendale AZ Police Department
Attn: Rick St. John
Technical Services Administrator
6835 North 57th Drive
Glendale, AZ 85301
USA

Ship To:

Glendale AZ Police Department
Attn: Rick St. John
Technical Services Administrator
6835 North 57th Drive
Glendale, AZ 85301
USA

Ln	Base Part	Description	Serial	Begin	End	Coverage	Mths	Qty	Mth Cost	Total Cost
Site Number: 50008893										
1	IPS0001	I/Executive		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$656.25	$7,875.00
2	IPS0001TST	I/Executive - Test License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
4	IPS0035	I/Backup		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$425.25	$5,103.00
6	IPS0004	I/Informer to NCIC/ACIC/ACJIS		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$752.15	$9,025.80
9	IPS0008	I/Push To Talk		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$171.15	$2,053.80
10	IPS0009	I/Mobile Data Terminal		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$749.70	$8,996.40
11	IPS0015	I/Tracker		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$425.25	$5,103.00
13	IPS0004ATST	I/Informer to I/LEADS - Test License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
14	IPS0008TST	I/Push To Talk - Test License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
15	IPS0009TST	I/Mobile Data Terminal - Test License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
16	IPS0015TST	I/Tracker - Test License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
21	IPS0002	I/Dispatcher		12/01/2014	11/30/2015	Ph Supp with Upg's	12	6	$281.40	$20,260.80
22	IPS0002	I/Dispatcher		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$281.40	$3,376.80
23	IPS0002TST	I/Dispatcher - Test License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
25	IPS0080	Mobile for Public Safety		12/01/2014	11/30/2015	Ph Supp with Upg's	12	125	$18.90	$28,350.00
27	IPS0045	I/NetDispatcher - 5 users		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$425.25	$5,103.00
32	IPS0004BCK	I/Informer - Backup License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
33	IPS0008BCK	I/Push To Talk - Backup License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
34	IPS0009BCK	I/Mobile Data Terminal - Backup		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
35	IPS0015BCK	I/Tracker - Backup License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
36	IPS0018BCK	I/Telephone Device for Deaf -		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
37	IPS0002	I/Dispatcher		12/01/2014	11/30/2015	Ph Supp with Upg's	12	5	$281.40	$16,884.00

Exhibit A

Security, Government and Infrastructure

Glendale AZ Police Department **PO#: TBD**

Account Nbr: MDC-4749 **Performance Period: 12/01/2014 Through 11/30/2015**

Quote: 1-9S9F6T-Glendale AZ Police Department CAD **Service Level: Premium**

Ln	Base Part	Description	Serial	Begin	End	Coverage	Mths	Qty	Mth Cost	Total Cost
38	IPS0003	I/Calltaker		12/01/2014	11/30/2015	Ph Supp with Upg's	12	4	$68.25	$3,276.00
39	IPS0004	Nested Queries		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$322.35	$3,868.20
40	IPS0004	Custom Development for I/Informer to		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$107.45	$1,289.40
41	IPS0001BCK	I/Executive - Backup License		12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$0.00	$0.00
42	IPS1163C	I/MapEditor CC - Component	18KDNRO50008893	12/01/2014	11/30/2015	Ph Supp with Upg's	12	1	$72.00	$864.00
44	GSPX5007C	GeoMedia Professional	18KDNRO50008893	12/01/2014	11/30/2015		12	1	$176.40	$2,116.80
45	ESCROW	Annual Software Escrow Fee		12/01/2014	12/30/2014		1	1	$500.00	$500.00
46	IPS0002	I/Dispatcher		12/01/2014	11/30/2015		12	12	$295.05	$42,487.00
47	IPS0042B	I/NetViewer - 50 users		12/01/2014	11/30/2015		12	1	$852.58	$10,231.00
50	IPS21184C	SAP BusObj Web Intelligence for Direct		05/01/2015	11/30/2015	Ph Supp with Upg's	7	1	$137.00	$959.00
52	IPS21183C	SAP BusOBJ Intl Plat for Direct - 20 CC -		05/01/2015	11/30/2015	Ph Supp with Upg's	7	1	$226.00	$1,582.00
54	IPS21183TSTC	SAP BusOBJ Intl Plat for Direct - 20 CC -		05/01/2015	11/30/2015	Ph Supp with Upg's	7	1	$0.00	($0.00)
55	IPS0004	I/Informer		12/01/2014	11/30/2015		12	1	$374.85	$4,498.20
56	IPS0012	I/Page		12/01/2014	11/30/2015		12	1	$340.17	$4,082.00
57	IPS0082-M	Map Admin Utility NL for I/Map &		12/01/2014	11/30/2015		12	1	$183.75	$2,205.00

SubTotal for Site Number 50008893 **$190,090.20**

Grand Total Excluding Tax **$190,090.20**

Security, Government & Infrastructure (SG&I)

U.S. Maintenance Terms and Conditions for Software

This document ("Terms and Conditions") and the Quote to which these Terms and Conditions are attached set forth the terms and conditions for the maintenance of software and related support services by Intergraph Corporation, doing business as the Security, Government and Infrastructure Division ("Intergraph") for Customer.

1. DEFINITIONS

1.1. "Affiliate" means any entity or person controlled by or under common control of Intergraph Corporation. For the purposes of this Agreement, the term "control" means ownership, directly or indirectly, of equity securities entitling the owner to exercise in the aggregate equal or more than twenty-five percent (25%) of the voting power of the entity in question. For the avoidance of doubt, any Affiliate of Intergraph Corporation is as well deemed an Affiliate of any other Affiliate of Intergraph Corporation; also Intergraph Corporation is an Affiliate of any of its Affiliates.

1.2. "Agreement" means (1) the binding contract incorporating these Terms and Conditions as well as the Quote submitted to Customer under Section 2 and/or, if applicable, (2) the binding contract incorporating a Quote submitted to Customer under Section 3.2 and/or Section 12.1 as well as the maintenance service contract terms and conditions referenced therein.

1.3. "Coverage Period" means the period of performance set forth in the Quote.

1.4. "Covered Products" means the software listed on the Quote for which Services are to be provided to Customer by Intergraph. Covered Products shall also include additional copies of the software (i) where the original software is already covered by the Agreement and (ii) for which additional licenses are purchased or otherwise obtained by Customer during the Coverage Period. Covered Products may include Software Products, as well as Third Party Software.

1.5. "Customer" means the entity or person purchasing Services.

1.6. "Quote" means a quotation for Services submitted to Customer by Intergraph or an authorized Intergraph partner, along with a product quotation at time of purchase of the product to be maintained. according to Section 2, or a quotation for Services submitted to Customer by Intergraph, according to, Section 3.2 and/or Section 12.1.

1.7. "Services" means the maintenance and support services for Covered Products that are further described in the Agreement.

1.8. "Software Product" includes Intergraph's or Intergraph's Affiliate's computer software and all of the contents of the files, disk(s), CD-ROM(s) or other media with which the software is provided, including any templates, data, printed materials, and "online" or electronic documentation, all copies, and any Updates of such Software Products. Software Products

are subject to all of the terms and conditions of the End-User License Agreement ("EULA") provided with the Software Product.

1.9. "Third Party Software" means computer software or other technology in which any person or entity, other than Intergraph or Intergraph's Affiliate, has any right, title or interest, including any restrictions or obligations (such as obligations to obtain consents or approvals and restrictions that may be eliminated only by obtaining such consents or approvals) applicable to the computer software or technology, but does not include software embedded in the Software Products by license from third parties. The use of Third Party Software is subject to all of the terms and conditions of the third party's software license or similar agreement ("SLA") provided with the Third Party Software.

1.10. "Update(s)" means any Upgrade, modified version, fix, patch and/or update of Covered Products. The use of Updates is subject to all of the terms and conditions of the EULA or SLA provided with Customer's current version of the Covered Products.

1.11. "Upgrade(s)" means each new release of Covered Products. Upgrades require a full installation and may be provided with a separate EULA or SLA. Any EULA or SLA delivered with the Upgrade will supersede any EULA or SLA associated with prior releases of the Covered Products.

2. AUTHORIZATION OF SERVICES

By either (a) returning a signed Quote; (b) submitting a signed purchase order referencing a Quote; (c) paying any charges as set forth on a Quote; or (d) accepting delivery of Services as set forth on a Quote, Customer authorizes Intergraph to provide the Services for Covered Products during the Coverage Period in accordance with the Agreement. The Services will be provided by Intergraph in accordance with the Scope of Coverage as set forth in Section 5. The Agreement shall only become binding and effective upon the written acceptance by Intergraph or the first delivery of the Services set forth in the Quote, whichever is earlier.

3. TERM

3.1. Term. This Agreement shall begin, retroactively (if applicable), on the first calendar day of the first month of the applicable Coverage Period, and shall expire at the end of the Coverage Period unless terminated earlier as provided in Section 18, or renewed by mutual agreement of the parties in accordance with Section 3.2. The Coverage Period shall be for whole months only.

3.2. Renewal. Approximately ninety (90) days prior to the expiration date of any Coverage Period, Intergraph will submit to Customer a renewal Quote that includes pricing for the upcoming Coverage Period. Section 2 shall apply mutatis mutandis to the formation of the Agreement based on the renewal Quote as well as the maintenance service contract terms and conditions referenced therein or made available to Customer together with the renewal Quote. If the Agreement is not entered into based on the renewal Quote as well as the maintenance service contract terms and conditions referenced therein, Intergraph, after the preceding Coverage Period has expired, shall be entitled to discontinue Services for the affected Covered Products, including access to system support or knowledge base, and/or end the ability of Customer to log or check support requests.

4. REINSTATEMENT OF MAINTENANCE SUPPORT COVERAGE

4.1. Lapse in Software Maintenance Coverage. To reinstate Services after any termination or suspension thereof, Customer must pay a reinstatement fee. The Coverage Period for any reinstated Services (the "Renewal Coverage Period") shall begin on the first day after the

expiration or termination of the last paid-in-full Coverage Period and extend until the next purchase anniversary date of the lapsed Covered Products. The reinstatement fee will equal twenty-five percent (25%) of the past due maintenance charges (rounded up to whole months only) for the Renewal Coverage Period, and shall be in addition to the total maintenance charges due for the Renewal Coverage Period, all calculated at the current maintenance list price. Upon request of Customer, Intergraph will provide a Quote for the Renewal Coverage Period, to include the reinstatement fee, which is applicable only for reinstatement made in the then-current month.

4.2. Failure to Obtain Maintenance Coverage. In the event Services were not purchased at the time that the Covered Product was originally purchased, in order to obtain Services, Customer must pay one hundred twenty-five percent (125%) of all maintenance payments from the date the original Covered Product was purchased up to the date the Services are actually purchased, plus one hundred percent (100%) of the remaining Coverage Period that expires upon the anniversary date of the original Covered Product purchase, all calculated at the current maintenance list price. The Coverage Period for such Covered Products will begin on the first day of the month in which the Covered Products were originally purchased.

5. SCOPE OF COVERAGE FOR SOFTWARE PRODUCTS

Services described in this Section apply to Software Products only. Services for Third Party Software are set forth in Section 10.

Intergraph offers two levels of Services for Software Products included in the Covered Products: Standard Support and Premium Support. Under both levels of Services, Intergraph shall provide reasonable commercial efforts to aid in the diagnosis and correction of defects in and provide general advice as to the use of the Software Products included in the Covered Products. The level of Services will be set forth on the Quote and will include the following:

5.1. **Standard Support:** Standard Support will include and be limited to the following:

5.1.1. Help Desk Support. Out-of-the-box functionality support via the Help Desk (telephone or eService via Intergraph's Customer Support Web Site where available at http://esupport.intergraph.com). Phone support for all priority levels of software errors is available on Monday through Friday from 8AM – 5PM at Customer's local time, excluding Intergraph-observed holidays. Local variances in support hours will be posted on the Customer Support Web Site or applicable local support website, or can be determined by contacting Customer's local Intergraph office.

5.1.2. Updates. Access to all available Updates of Software Products included in the Covered Products. Intergraph will notify Customer when Updates are made available for any Software Products for which Service has been purchased, by way of posting notices of such to the "Support Notices and Announcements" section on the Customer Support Web Site or applicable local support website or via direct notification by Intergraph. If applicable, Customer may also register on the Customer Support Web Site or applicable local support website to automatically receive email notifications when a new release of a Software Product is made available by Intergraph. Updates are shipped to Customer upon Customer request. Intergraph is not obligated to produce any Updates.

5.1.3. Knowledge Base. Twenty-four-hour-per-day/seven-day-per-week access to problem Knowledge Base, an on-line self-help tool.

5.2. **Premium Support:** Premium Support will include all of the features available under Standard Support. Additionally, when the software error is considered to be critical (meaning

production is down), then phone support is also available after-hours and on Intergraph-observed holidays.

Intergraph may not provide both levels of support for all Software Products in all countries. Customer may choose any level of Services offered, however all Software Products included in the Covered Products under the Agreement must have the same level of Services when available.

Services are only available for the current version and the one version prior to the current version of a particular Software Product. Services are limited to the specific Software Products listed on the Quote and functioning on the appropriate Intergraph-supported operating system.

6. MINIMUM SYSTEM REQUIREMENTS; CUSTOMER'S OBLIGATIONS

Performance of Services by Intergraph is specifically conditioned upon the following minimum system requirements and fulfillment by Customer of the following obligations (collectively, minimum system requirements and customer obligations hereinafter referred to as "Customer Obligations"):

6.1. Customer's hardware and operating system software must meet the minimum system requirements specified by Intergraph and made available to Customer upon request.
6.2. Customer's system must have input and output devices that enable the use of Intergraph's diagnostic programs and supplemental tests. The specifications of such devices shall be made available to Customer by Intergraph upon request.
6.3. Customer will be responsible for any required adjustments or updates to its hardware and/or operating system software required to accommodate Updates of Covered Products.
6.4. Customer will ensure availability of its own system technical support personnel so that Intergraph can fulfill its Service obligations.
6.5. When reporting problems to Intergraph's Help Desk, Customer will provide a complete problem description, along with all necessary documents and information that is available to Customer and required by Intergraph to diagnose and resolve the problem. Customer will grant all necessary access to all required systems as well as to the Covered Products, and any other reasonable assistance needed.
6.6. Customer will carry out any reasonable instructions on troubleshooting or circumvention of the problem provided by Intergraph through the Authorized Contact (as defined below in Section 8.1) immediately and in conformity with these instructions, and will install any necessary patches, defect corrections or new versions from Intergraph.
6.7. Customer is solely responsible for assuring the compatibility of non-Intergraph products with products provided by Intergraph.
6.8. Customer is solely responsible for ensuring its systems, software, and data are adequately backed up. Intergraph will not be liable for lost data.

In addition, Customer shall provide for any other requirements reasonably specified by Intergraph and related to the rendition of the Services to be met.

If Customer fails to fulfill its Customer Obligations, Intergraph is entitled to bill Intergraph's time and effort made necessary by Customer's failure at Intergraph's currently stated hourly rates.

7. EXCLUDED SOFTWARE SERVICES

Services for the following are outside the scope of this Agreement and may be available under separate agreement at an additional charge (collectively "Excluded Services"):

7.1. Installation of any Covered Product, Update, or interface software
7.2. Network configuration
7.3. Configuration or customization of Covered Products to customer requirements.
7.4. System-level tuning and optimization and system administration support

7.5. Programming or software development
7.6. Training
7.7. Services required because the Authorized Contact is not available or is not trained in accordance with Section 8
7.8. On-site Services
7.9. Services outside of the regular business hours associated with the applicable level of Services
7.10. Services required due to modifications of Covered Products by Customer. In the case of Intergraph software modules which assist in the creation and use of Customer software, the performance of Services under the Agreement is restricted to unmodified components of these Covered Products
7.11. Services required due to use other than in the ordinary manner intended for the Covered Products, or use in a manner that contravenes terms hereunder, or Customer's disregard of the installation and operating instructions according to the documentation provided with the Covered Products
7.12. Services required due to failure of software or hardware not supplied by Intergraph and not covered in the Agreement
7.13. Services required due to Customer's use of hardware or software that does not meet Intergraph specifications or failure of Customer to maintain or perform industry standard maintenance on Customer's hardware or software
7.14. Services required due to software or portions thereof that were incorrectly installed or configured, or use in an environment inconsistent with the support environment specified by Intergraph, or used with peripherals, operational equipment or accessories not conforming to Intergraph's specifications
7.15. Services required due to cases of force majeure, especially lightning strikes, fire or flood or other events not caused through Intergraph's fault.
7.16. Services required due to customer's failure to fulfill the Customer Obligations set forth in Section 6
7.17. Services required due to faulty or incomplete Customer data.

When ordered by Customer, Excluded Services or other software maintenance support services that are outside the scope of this Agreement will be billed by Intergraph according to the stated hourly rates and material prices in effect at the time such service is performed.

8. SYSTEM SUPPORT TECHNICIAN

8.1. Customer will appoint a minimum of two and a maximum of three contact people who are each authorized to make use of the Services ("Authorized Contacts").

8.2. Customer must make sure that the Authorized Contacts have adequate expertise and experience to make possible a targeted and professionally accurate description of malfunctions and make it possible for Intergraph to handle them efficiently. Authorized Contacts must have successfully completed Intergraph product training or complete it at the next available scheduled opportunity, for those products for which formal training is available. Customer will bear the cost of this training. Customer is obligated to select only those personnel for this task who are suitable for it by means of training and function, and who have knowledge of Customer's operating system, network, and hardware and software systems. Customer agrees to promptly notify Intergraph of any replacement of an Authorized Contact.

9. REMOTE ACCESS

Customer will permit Intergraph to electronically access Customer's system via SecureLink™. SecureLink™ is a tool for providing secure, auditable remote access to Customer's system in order for Intergraph support personnel ("Customer Support") to effectively troubleshoot critical or complex

problems and to expedite resolution of such issues. The Authorized Contacts should be available to assist Intergraph Customer Support as needed during this entire process. Customer Support will only access Customer's system with the knowledge and consent of Customer. For local variances specific to the use of remote access tools other than SecureLink™, Customer should contact the local Intergraph support office.

10. THIRD PARTY SOFTWARE

Support and Updates of Third Party Software shall be provided in the fashion and to the extent or duration that Intergraph is authorized to provide such by the third party manufacturer of the Third Party Software, and such Third Party Software Services may be subject to additional terms and conditions of the third party manufacturer of the Third Party Software.

Services and Updates for any Third Party Software that are not listed on the Quote must be obtained from the third party owner of the products or their designated representative.

11. REQUIRED COVERAGE

11.1. Multiple or Interdependent Licenses. Customer may not decline maintenance for individual licenses of a Covered Product for which Customer has multiple copies under Service at one site or for Covered Products that are being used interdependently at a single site, except in accordance with the relinquishment process described in Section 12.2.

11.2. Prerequisite Licenses. All prerequisite Intergraph software licenses that are necessary to operate the Covered Products for which Customer desires Services under the Agreement must also be included as Covered Products and listed on the Quote.

12. ADDITIONS AND REMOVALS OF COVERED PRODUCTS

12.1. Additions of Covered Products to Maintenance.

12.1.1. Additional Software Products from Intergraph. In the event Customer purchases additional licenses of Software Products from Intergraph during the term of this Agreement, Intergraph will provide Customer with a written extension Quote that reflects the additional licenses, the effective date of Service, and charges for the additional licenses, pursuant to the Agreement.

12.1.2. Additional Software Products from a third party. In the event Customer obtains additional licenses of Software Products from an authorized reseller or by any other means, Customer agrees to promptly notify Intergraph in writing about the newly acquired Software Products, and upon receipt of such notice, Intergraph will provide Customer with a written extension Quote that reflects the additional licenses, the effective date on which Intergraph may commence the Services with respect to the copies of the Software Product pertaining to the additional licenses, and the charges that would be due in return for these Services pursuant to the Agreement.

12.1.3. Section 2 shall apply mutatis mutandis to the formation of the Agreement based on the extension Quote submitted to Customer under Section 12.1.1 or Section 12.1.2 as well as the maintenance service contract terms and conditions referenced therein or made available to Customer together with the extension Quote. If the Agreement is not entered into based on the extension Quote as well as the maintenance service contract terms and conditions referenced therein, then the terms and conditions in Section 4 regarding reinstatement of Services will apply to the additional licenses of Software Products. If, however, the additional Software Products are multiple, interdependent, or prerequisite licenses as described in Section 11 above, Services

may not be declined, and Services and the appropriate monthly charges will begin on the effective date as shown on the extension Quote.

12.1.4. Additional Software Products via Software Transfer Policy. Customer shall purchase Services on all additional licenses of Software Products for a site obtained via software license transfer. Any such software license transfers shall be in accordance with the then-current Intergraph Software Transfer Policy and the EULA or other applicable Software License Agreement delivered with the Software Product.

12.2. Removal of Covered Products from Maintenance. Either party may provide written notice to the other party at least sixty (60) calendar days prior to the end of any Coverage Period of its intent to remove any individual Covered Products from the Agreement for the renewal period. Neither party may remove Covered Products except upon Agreement renewal. Customer may not remove from the Agreement individual software licenses of a Covered Product for which Customer has multiple copies under Service at one site or for Covered Products that are being used interdependently at a single site, unless Customer has first certified to Intergraph on a "Software Relinquishment Agreement" that the copies of the Covered Product for which Customer desires to cease Services (the "Relinquished Licenses") for the renewal Coverage Period have been uninstalled and removed from its system(s). Should Customer desire to reinstate Services for the Relinquished Licenses at a later date, Customer must re-purchase the licenses at the then current list price.

13. PAYMENT

13.1. Terms of Payment. Charges for Services are due and payable annually and in advance. For Customers desiring to pay quarterly and in advance instead of annually and in advance, Customer must request a revised Quote which shall include a convenience fee increase of fifteen percent (15%) of the total annual charges, which convenience fee Customer agrees to pay. The convenience fee shall be prorated and charged to the four quarterly invoices. All charges are due net thirty (30) calendar days from the date of invoice or prior to the beginning of the applicable Coverage Period, whichever is earlier. Charges for Covered Products added during a Coverage Period shall be prorated to the remaining months of the Coverage Period, in whole month increments only, and such charges shall be due and payable in full upon receipt of invoice.

13.2 Past Due Accounts. INTERGRAPH RESERVES THE RIGHT TO REFUSE SERVICE TO ANY CUSTOMER WHOSE ACCOUNT IS PAST DUE. At the discretion of Intergraph, Customers who have not paid any charges when due (i) under this Agreement, (ii) under any other agreement between the parties, or (iii) under any agreement between Intergraph and Customer's parent and/or subsidiary at least fifty percent (50%) owned by Customer, may not be rendered Services until all past due charges are paid in full. Additionally, Intergraph shall charge and Customer agrees to pay interest at the rate of two percent (2%) per month or the maximum amount allowed by law, whichever is less, for all amounts not received when due. The start of the Coverage Period shall not be postponed due to delayed payment of any charges. If Intergraph is required to use a collection agency or attorney to collect money owed by Customer, Customer agrees to pay the reasonable costs of collection. These collection costs include, but are not limited to, any collection agency's fees, reasonable attorneys' fees and court costs.

13.3 Customer's Responsibilities Concerning Invoice Questions. Subject to applicable law, if Customer intends to dispute a charge or request a credit, Customer must contact Intergraph within ten (10) calendar days of the date on the invoice. Customer waives any right to dispute a charge or receive a credit for a charge or Services that Customer does not report within such period.

14. CUSTOMER WARRANTIES

During the Coverage Period, Customer shall commit to the following:

14.1. Subject to Section 12.2, Customer warrants that for all Covered Products supported under the Agreement, all licenses of a Covered Product for which Customer has multiple copies in its possession and that are located at the site referenced on the Quote, and all prerequisite licenses necessary to operate Covered Products, are listed on the Quote. If all like Covered Products or prerequisite software licenses are not listed on the Quote, Customer agrees to notify Intergraph so that Intergraph may issue a revised Quote to Customer.

14.2. Customer warrants that Services provided herein shall be utilized only for the quantity of Covered Products licenses listed on the Quote.

14.3. Customer shall, and Customer shall cause each of Customer's employees and representatives to, comply with each and every term and condition of the EULA and/or SLA applicable to the Covered Products supported under the Agreement.

15. INTELLECTUAL PROPERTY

15.1. Software License. Any Upgrades furnished hereunder shall remain the property of Intergraph, Intergraph's Affiliate or applicable third party, and are licensed in accordance with the then current Intergraph EULA, EULA of Intergraph's Affiliate or third party SLA, which shall supersede any EULA or SLA associated with prior releases of the Software Products or Third Party Software. Upon Customer's request, Intergraph shall provide customer with such EULA or SLA. Upon Intergraph's request, Customer agrees to execute a EULA or SLA, as applicable, for Covered Products provided without an included EULA or SLA.

15.2. Confidential Information. Intergraph and Customer each acknowledge that they may be furnished with, receive, or otherwise have access to information of or concerning the other party which such party considers to be confidential, proprietary, a trade secret or otherwise restricted. As used in this Agreement "Confidential Information" shall mean all information, which may include third party information, in any form, furnished or made available directly or indirectly by one party to the other that is marked confidential, restricted, proprietary, or with a similar designation. The terms and conditions, and existence, of this Agreement shall be deemed Confidential Information. Confidential Information also shall include, whether or not designated "Confidential Information" (i) all specifications, designs, documents, correspondence, software, documentation, data and other materials and work products produced by either Intergraph or its subcontractors, and (ii) with respect to either party, all information concerning the operations, financial affairs and businesses, and relations with its employees and service providers.

Each party's Confidential Information shall remain the property of that party or relevant third party except as expressly provided otherwise by the other provisions of this Agreement. Customer and Intergraph shall each use at least the same degree of care, but in any event no less than a reasonable degree of care, to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own information of a similar nature.

The parties shall take reasonable steps to ensure that their respective employees comply with these confidentiality provisions. This Section shall not apply to any particular information which either party can demonstrate (i) was, at the time of disclosure to it,

generally publicly available; (ii) after disclosure to it, is published or otherwise becomes generally publicly available through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without restriction on disclosure; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further use or disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the disclosing party. In addition, a party shall not be considered to have breached its obligations by disclosing Confidential Information of the other party as required to satisfy any legal requirement of a competent government body provided that, immediately upon receiving any such request and to the extent that it may legally do so, such party advises the other party promptly and prior to making such disclosure in order that the other party may interpose an objection to such disclosure, take action to assure confidential handling of the Confidential Information, or take such other action as it deems appropriate to protect the Confidential Information.

16. LIMITED WARRANTIES; WARRANTY DISCLAIMERS

16.1. Limited Warranties.

16.1.1. Intergraph Services Warranty. Intergraph warrants for a period of thirty (30) days from the date of Services that the Services provided pursuant to this Agreement, in the form of a defect correction and/or maintenance services, will be performed with reasonable skill and care in accordance with the requirements set forth herein, provided the Covered Products for which the Services are provided are used under normal conditions and in strict accordance with the terms and conditions herein. Customer agrees to promptly notify Intergraph of any unauthorized use, repair, or modification, or misuse, as well as suspected defects in any Services provided pursuant to this Agreement.

16.1.2. Intergraph Software Warranty. Intergraph warrants for a period of thirty (30) days from the date of shipment of any Software Product that, under normal use, software delivery media shall be free from defect in material or workmanship. Additional warranties for Software Products may be provided in the applicable Intergraph Terms and Conditions for Sale or other agreement between the parties governing the delivery of Software Products.

16.1.3. Pass-Through Third Party Warranties. Third Party Software is only warranted pursuant to a pass-through warranty to Customer from the applicable Third Party Software manufacturer and only to the extent warranted by the applicable Third Party Software manufacturer.

16.1.4. NO OTHER WARRANTIES. THE ABOVE LIMITED WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND REPRESENT THE FULL AND TOTAL OBLIGATION AND/OR LIABILITY OF INTERGRAPH. THE LIMITED WARRANTIES PROVIDE CUSTOMER WITH SPECIFIC LEGAL RIGHTS. CUSTOMER MAY HAVE OTHER RIGHTS, WHICH VARY JURISDICTION TO JURISDICTION. IF A GREATER WARRANTY IS MANDATED PURSUANT TO THE LAW HELD APPLICABLE TO THIS AGREEMENT, THEN INTERGRAPH WARRANTS THE SERVICES OR COVERED PRODUCTS TO THE MINIMUM EXTENT REQUIRED BY SAID LAW.

16.2. Remedies. In the event a warranted Service, Covered Product, or Update provided pursuant to this Agreement does not substantially comply with the limited warranties set forth in the Agreement, Intergraph's entire liability and Customer's exclusive remedy shall be, in Intergraph's sole and absolute discretion, either (i) providing of a Service, Covered Product,

or Update which conforms substantially with the warranty; or (ii) a refund of the purchase price of the particular warranted Service, Covered Product, or Update for the period of time that the warranted Service, Covered Product, or Update did not substantially conform to the limited warranties set forth in this Agreement.

Intergraph is acting on behalf of its suppliers for the sole purpose of disclaiming, excluding and/or limiting obligations and liability as provided in this Agreement, but in no other respects and for no other purpose.

16.3. WARRANTY DISCLAIMERS. ANY WARRANTIES HEREUNDER ARE VOID IF FAILURE OF A WARRANTED ITEM RESULTS DIRECTLY, OR INDIRECTLY, FROM AN UNAUTHORIZED MODIFICATION OF A WARRANTED ITEM; AN UNAUTHORIZED ATTEMPT TO REPAIR A WARRANTED ITEM; OR MISUSE OF A WARRANTED ITEM, INCLUDING WITHOUT LIMITATION, USE OF WARRANTED ITEM UNDER ABNORMAL OPERATING CONDITIONS OR WITHOUT ROUTINELY MAINTAINING A WARRANTED ITEM. CUSTOMER SHALL PROMPTLY NOTIFY INTERGRAPH OF ANY SUSPECTED DEFECTS IN COVERED PRODUCTS DELIVERY MEDIA. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, INTERGRAPH AND ITS SUPPLIERS DISCLAIM ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, RELATING TO THE SERVICES, COVERED PRODUCTS, AND UPDATES PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. INTERGRAPH DOES NOT WARRANT THAT ANY SERVICES, COVERED PRODUCTS, AND UPDATES PROVIDED PURSUANT TO THIS AGREEMENT WILL MEET CUSTOMER'S REQUIREMENTS, AND UNDER NO CIRCUMSTANCES DOES INTERGRAPH WARRANT THAT ANY SERVICES, COVERED PRODUCTS, AND UPDATES WILL OPERATE UNINTERRUPTED OR ERROR FREE. IF ANY PART OF THIS DISCLAIMER OF EXPRESS OR IMPLIED WARRANTIES IS RULED INVALID, THEN INTERGRAPH DISCLAIMS EXPRESS OR IMPLIED WARRANTIES TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW.

17. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL INTERGRAPH OR ITS SUPPLIERS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF USE OR PRODUCTION, LOSS OF REVENUE OR PROFIT, LOSS OF DATA, LOSS OF BUSINESS INFORMATION, BUSINESS INTERRUPTION, CLAIMS OF THIRD PARTIES OR ANY OTHER PECUNIARY LOSS ARISING OUT OF THIS AGREEMENT, EVEN IF INTERGRAPH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. INTERGRAPH'S ENTIRE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT ACTUALLY PAID BY CUSTOMER TO INTERGRAPH DURING THE PAST TWELVE MONTHS UNDER THIS AGREEMENT AS OF THE DATE THE EVENT GIVING RISE TO THE CLAIM OCCURS. EXCEPT AS OTHERWISE PROVIDED BY APPLICABLE LAW, NO CLAIM, REGARDLESS OF FORM, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT MAY BE BROUGHT BY CUSTOMER MORE THAN TWO (2) YEARS FOLLOWING THE INITIAL EVENT GIVING RISE TO THE CAUSE OF ACTION. BECAUSE SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY, THE ABOVE LIMITATION MAY NOT APPLY TO CUSTOMER. IF ANY PART OF THIS SECTION IS HELD INVALID, THEN INTERGRAPH LIMITS ITS LIABILITY TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW.

18. TERMINATION

This Agreement may only be terminated prior to its expiration in the following ways:

18.1. Either party petitions for reorganization under the Bankruptcy Act or is adjudicated as bankrupt, or a receiver is appointed for the other party's business.

18.2. Customer fails to pay Intergraph any amount when due (i) under this Agreement; or (ii) under any other agreement between the parties.

18.3. Customer's license to the Covered Products for which Customer has purchased Services is terminated.

19. RESTRICTIONS

19.1. Non-Solicitation of Employees. Customer agrees that it will not, without the prior written consent of Intergraph, solicit or hire any Intergraph employee, or induce such employee to leave Intergraph's employment, directly or indirectly, during the term of this Agreement and for a period of twelve (12) months after the Agreement expires or is terminated. Customer agrees that a breach of this provision would cause actual and substantial damages to Intergraph such that it would be very difficult to calculate actual damages. Accordingly, any such breach will entitle Intergraph to recover liquidated damages from Customer in the amount equal to one (1) year of the affected employee's annual salary plus benefits for each such breach, as well as expenses, costs, and reasonable attorneys' fees incurred by Intergraph in seeking enforcement of this Agreement. Customer agrees that the foregoing amount is intended to be, and in fact is, a reasonable estimate of the actual damages that would be incurred by Intergraph if Customer were to breach this provision, and that this amount is not intended to be, and in fact is not, a penalty. In addition, Intergraph shall be entitled to equitable or injunctive relief to prevent further breaches. For purposes of this Section, the term "employee" means employees of Intergraph and/or any Intergraph subsidiary and/or any of Intergraph's subcontractors who directly support Customer.

19.2. United States Government Restricted Rights. If a Covered Product (including any Updates, documentation or technical data related to such Covered Products) is licensed, purchased, subscribed to or obtained, directly or indirectly, by or on behalf of a unit or agency of the United States Government, then this Section also applies.

19.2.1. For civilian agencies: The Covered Product was developed at private expense and is "restricted computer software" submitted with restricted rights in accordance with the Federal Acquisition Regulations ("FAR") 52.227-19 (a) through (d) (Commercial Computer Software – Restricted Rights).

19.2.2. For units of the Department of Defense ("DoD"): The Covered Product was developed at private expense and is "commercial computer software" submitted with restricted rights in accordance with the Defense Federal Acquisition Regulations ("DFARS") DFARS 227.7202-3 (Rights in commercial computer software or commercial computer software documentation).

19.2.3. Notice: The Covered Product is "commercial computer software" as defined in DFARS 252.227-7014 (Rights in Noncommercial Computer Software) and FAR 12.212 (Computer Software), which includes "technical data" as defined in DFARS 252.227-7015 (Technical Data) and FAR 12.211 (Technical Data). All use, modification, reproduction, release, performance, display or disclosure of this "commercial computer software" shall be in strict accordance with the manufacturer's standard commercial license, which is attached to and incorporated into the governing Government contract.

Intergraph and any applicable Third Party Software manufacturers are the manufacturers. This Covered Product is unpublished and all rights are reserved under the Copyright Laws of the United States.

19.3. Export Restrictions. All Software Products and all Third Party Software (including any Updates, documentation or technical data related to such software products) licensed, purchased, subscribed to or obtained, directly or indirectly, from Intergraph, its subsidiaries or distributors (collectively, "Export Controlled Products") are subject to the export control laws and regulations of the United States. Diversion contrary to United States law is prohibited. The Export Controlled Products, and the direct product thereof, shall not be exported or re-exported, directly or indirectly (including via remote access), under the following circumstances:

19.3.1. To Cuba, Iran, North Korea, Sudan, or Syria, or any national of these countries.

19.3.2. To any person or entity listed on any United States government denial list, including but not limited to, the United States Department of Commerce Denied Persons, Entities, and Unverified Lists (www.bis.doc.gov/complianceandenforcement/liststocheck.htm), the U.S. Department of Treasury Specially Designated Nationals List (www.treas.gov/offices/enforcement/ofac/), and the U.S. Department of State Debarred List (http://www.pmddtc.state.gov/compliance/debar.html).

19.3.3. To any entity if Customer knows, or has reason to know, the end use of the Export Controlled Product is related to the design, development, production, or use of missiles, chemical, biological, or nuclear weapons, or other unsafeguarded or sensitive nuclear uses.

19.3.4. To any entity if Customer knows, or has reason to know, that an illegal reshipment will take place.

Any questions regarding export or re-export of an Export Controlled Product should be addressed to Intergraph Corporation's Export Compliance Department, 19 Interpro Road, Madison, Alabama, United States 35758 or at exportcompliance@intergraph.com.

20. TAXES

All charges under this Agreement are exclusive of each and every country's federal, provincial, state, municipal, or other governmental, withholding, excise, sales, use, value added or other taxes, tariffs, custom duties and importing fees ("Taxes"). Customer shall be liable for, and shall indemnify and hold Intergraph harmless from and against, any and all Taxes. Taxes shall expressly exclude any federal, state, municipal, or other governmental income taxes, franchise taxes, business license fees and other like taxes measured by Intergraph's income, capital and/or assets. The total invoice amount for charges under this Agreement is subject to increase by the amount of any Taxes which Intergraph is required to withhold, collect, or pay regarding the transactions under this Agreement so that Intergraph receives the full amount of the charges on Intergraph's invoices. Any certificate to exempt the Agreement from tax liability or other documentary evidence of statutory exemption shall be obtained by Customer at Customer's expense.

21. GENERAL

21.1. Third Party Providers. Intergraph reserves the right to provide Services through a third party provider.

21.2. Entire Agreement. The Agreement constitutes the entire agreement between the parties relating to the subject matter hereof. The Agreement supersedes any and all prior

discussions and/or representations, whether written or oral, relating to the subject matter of the Agreement and no reference to prior dealings may be used to in any way modify the expressed understandings of the Agreement. Intergraph does not accept any contradictory or additional terms and conditions, even by accepting a purchase order referencing different terms and conditions. The Agreement may be amended only by a written instrument signed by authorized representatives of both parties, and cannot be amended by subsequent purchase order or writing received from Customer without the express written consent of Intergraph. Any reproduction of the Agreement made by reliable means (for example, photocopy or facsimile) will be deemed an original.

21.3. Order of Precedence. In the event of a conflict between the documents that form the Agreement, the order of precedence will be as follows: (i) any addenda executed by Intergraph and Customer, with the latest addendum taking precedence over any earlier addenda; (ii) the Quote; and (iii) these Terms and Conditions.

21.4. Severability. Whenever possible, each provision of the Agreement shall be interpreted in such a manner as to be effective and valid under the applicable law. However, if any provision of the Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the Agreement.

21.5. Headings. The various headings in these Terms and Conditions are inserted for convenience only and shall not affect the meaning or interpretation of these Terms and Conditions or any section or provision of these Terms and Conditions.

21.6. No Waiver. Any failure by either party to enforce performance of the Agreement shall not constitute a waiver of, or affect said party's right to avail itself of, such remedies as it may have for any subsequent breach of the terms of the Agreement.

21.7 Notices. Any notice or other communication ("Notice") required or permitted under the Agreement shall be in writing and either delivered personally or sent by overnight delivery, express mail, or certified or registered mail, postage prepaid, return receipt requested. A Notice delivered personally shall be deemed given only if acknowledged in writing by the person to whom it is given. A Notice sent by overnight delivery or express mail shall be deemed given twenty-four (24) hours after having been sent. A Notice that is sent by certified mail or registered mail shall be deemed given forty-eight (48) hours after it is mailed. If any time period in this Agreement commences upon the delivery of Notice to any one or more parties, the time period shall commence only when all of the required Notices have been deemed given. Intergraph's address for Notices is Intergraph Corporation, 19 Interpro Road, Madison, Alabama 35758, Attn: SG&I Contracts, M/S IW17A1.

21.8 Assignment. Neither party shall have the right to assign any of its rights nor delegate any of its obligations under this Agreement without the prior written consent of the other party, except that Intergraph may assign its rights and obligations under this Agreement, without Customer's approval, to (i) an entity which acquires all or substantially all of the assets of Intergraph or the Intergraph division providing a product or service under this Agreement; (ii) an entity which acquires all or substantially all of the Software Products or product line assets subject to this Agreement; or (iii) any subsidiary, affiliate or successor in a merger or acquisition of Intergraph. Any attempt by Customer to sublicense, assign or transfer any of Customer's rights or obligations under this Agreement, except as expressly provided in this Agreement, is void.

21.9 Force Majeure. Except for payment obligations under the Agreement, neither party shall be liable for any failure to perform or observe any of its obligations under this Agreement

for as long as and to the extent that such performance is prevented or hindered by any circumstances beyond its reasonable control. By way of example, and not limitation, such causes may include acts of God or public enemies; labor disputes; acts of local, state, or national governments or public agencies; utility or communications failure; fire; flood; epidemics; riots; or strikes. The time for performance of any right or obligation delayed by such events will be postponed for a period equal to the delay. If, however, a party is subject to a force majeure that endures for more than sixty (60) calendar days, the other party has a right to terminate the Agreement upon providing thirty (30) calendar days prior written notice to the party subject to the force majeure.

21.10 Governing Law. This Agreement shall for all purposes be construed and enforced under and in accordance with the laws of the State of Alabama and shall be deemed to have been accepted in Madison, Alabama, United States. The parties agree that any legal action or proceeding relating to this Agreement shall be instituted in the Circuit Court for Madison County, Alabama, or the United States District Court for the Northern District of Alabama, Northeastern Division. The parties agree to submit to the jurisdiction of and agree that venue is proper in these courts in any such legal action or proceedings. This Agreement shall not be governed by the conflict of law rules of any jurisdiction or the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded.

21.11 Waiver of Jury Trial. Intergraph and Customer each hereby waive, to the fullest extent permitted by applicable law, any right either may have to a trial by jury for any legal proceeding arising, directly or indirectly, out of or relating to this Agreement.

21.12 Injunctive Relief; Cumulative Remedies. Customer acknowledges and agrees that a breach of the Agreement by Customer could cause irreparable harm to Intergraph for which monetary damages may be difficult to ascertain or may be an inadequate remedy. Customer agrees that Intergraph will have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any breach of the Agreement by Customer, and Customer expressly waives any objection that Intergraph has or may have an adequate remedy at law with respect to any such breach. The rights and remedies set forth in this Agreement are cumulative and concurrent and may be pursued separately, successively or together.

21.13 Attorneys' Fees and Costs. In the event of any legal proceeding arising out of or relating to this Agreement, the prevailing party in such action shall be entitled to an award of its reasonable attorneys' fees and costs for all such legal proceedings, including for trial and all levels of appeal.

21.14 Governing Language. The controlling language of this Agreement is English. If Customer has received a translation into another language, it has been provided for Customer's convenience only.

21.15 Survival. The provisions of the Agreement which require or contemplate performance after the expiration or termination of the Agreement shall be enforceable notwithstanding said expiration or termination.

Security, Government & Infrastructure (SG&I)
ADDENDUM to the
U.S. Maintenance Terms and Conditions for Software

This Addendum ("Addendum") to the SG&I U.S. Maintenance Terms and Conditions for Software ("Terms and Conditions") consists of this cover page, the additional terms and conditions on the next page, and the additional Scopes of Coverage marked below (the "Additional Scopes"). This Addendum modifies the Agreement (comprised of the Terms and Conditions and the Quote) between Customer and Intergraph to include the Additional Scopes . By signing this Addendum the parties agree to be bound by the terms of this Addendum. Once signed, 1) the parties agree any reproduction of the Addendum made by reliable means (for example, photocopy or facsimile) is considered an original, and 2) the Agreement is subject to it.

This Addendum replaces all prior oral or written communications between the parties regarding the Additional Scopes. This Addendum shall only modify, alter or waive those specific provisions or language of the Terms and Conditions addressed or referred to herein regarding the Additional Scopes, with all other provisions of the Terms and Conditions remaining in full force and effect, and reflecting the continued intent of the parties for Services of Covered Products.

This Addendum shall be incorporated into the Terms and Conditions and construed and interpreted according to the entirety of the Terms and Conditions. This Addendum shall remain effective for the term of the Agreement, unless terminated earlier.

Scopes of Coverage
If checked below, the following Scopes of Coverage are made a part of the Agreement:

- [ ] System Optimization Funds
- [x] Custom Interface Software Services
- [ ] Third Party Hardware Services

In witness whereof, the parties have hereto executed this Addendum as of the date of execution by Intergraph.

Intergraph Corporation, doing business as the, Security, Government & Infrastructure Division	**Glendale AZ Police Department**
Signature: Trey Sampson	Signature:
Printed Name: Trey Sampson	Printed Name:
Title: Contract Administrator	Title:
Date: 10/29/14	Date:

ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions apply to the items identified in this Addendum. In case of conflict between any of the parts of the Terms and Conditions, the order of precedence shall be as follows: 1) any addenda executed by the Customer and Intergraph, with the latest addendum taking precedence over any earlier addenda in which a conflict may appear; and 2) the unmodified Terms and Conditions.

Section 1, DEFINITIONS of the Terms and Conditions is modified by adding the following definitions:

1.12 "System Optimization Funds" means amount included on the Quote to cover expenses for services related to Customer's Intergraph system during the Coverage Period that are otherwise considered Excluded Services under the Agreement.

1.13 "Custom Interface Software" means one or more software interfaces previously developed by Intergraph for Customer that work in conjunction and function with specific Covered Products (the specific Covered Products hereinafter referred to as the "Interfaced Covered Products").

1.14 "Third Party Hardware" means the hardware products of any entity other than Intergraph Corporation that are listed on the Quote and for which services are offered.

Scope of Coverage for
System Optimization Funds

Upon Customer's request and prepayment of System Optimization Funds, Intergraph will establish an account for Customer's System Optimization Funds.

1. Designation of System Optimization Funds

Once payment is received by Intergraph, Intergraph will hold System Optimization Funds as advance payment for future purchases of goods and services not provided for under the Agreement, which may include installation of Upgrades, user group registration fees, upgrade of Custom Interface Software, and/or training and installation of Custom Interface Updates (as defined in part 1.(c) of the Scope of Coverage for Custom Interface Software Services).

2. Quote and Statement of Work for Use of System Optimization Funds

Upon the request of the Customer, Intergraph will provide to the Customer a quotation and statement of work detailing the scope of proposed services against which System Optimization Funds are to be applied.

3. Use of System Optimization Funds

If Customer accepts the quotation and statement of work by signing and returning to Intergraph the quotation and statement of work, Intergraph will deliver the proposed services detailed in the statement of work according to a mutually agreed schedule, and will credit the quoted amount against Customer's System Optimization Funds balance. In the event the accepted quotation exceeds the balance of System Optimization Funds held in account for Customer by Intergraph, Customer shall provide a purchase order to Intergraph for the amount of the quotation in excess of Customer's System Optimization Funds balance before Intergraph shall undertake any effort identified in the particular statement of work.

4. Expiration of System Optimization Funds

Unused System Optimization Funds expire on a three (3) year rolling basis from the date of receipt.

Scope of Coverage for
Custom Interface Software Services

1. CUSTOM INTERFACE SOFTWARE SERVICES

Intergraph will provide services for Custom Interface Software, subject to the following.

(a) Services are limited to Custom Interface Software listed on the Quote.

(b) Intergraph will provide Help Desk support to the Customer for Custom Interface Software commensurate with the level of Help Desk support of the Interfaced Covered Products.

(c) Intergraph will provide updates, upgrades, fixes, patches and/or enhancements for Custom Interface Software only to the extent required for Custom Interface Software to function with Updates of Interfaced Covered Products (such updates, upgrades, fixes, patches and enhancements of Custom Interface Software are referred to as the “Custom Interface Updates”).

2. EXCLUDED CUSTOM INTERFACE SOFTWARE SERVICES

Support for the following are outside of the scope of coverage for Custom Interface Software services and may be available through a separate agreement for which Intergraph will provide a quotation at Intergraph’s prevailing rates:

(a) Upgrades, updates, fixes and enhancements of Custom Interface Software that are requested by the Customer (other than those specified in Section 1.0., part (c) above).

(b) Upgrades, updates, fixes and enhancements of Custom Interface Software for the purpose of operating with third party software or systems.

(c) Installation of Custom Interface Software or Custom Interface Updates.

Scope of Coverage for
Third Party Hardware Services

THIRD PARTY HARDWARE SERVICES

Calls from Customer for Third Party Hardware services shall be passed by Intergraph directly to the third party manufacturer of the hardware or their designated service representative (the “Service Provider”). Third Party Hardware services are provided to the Customer by the Service Provider in accordance with the Service Provider’s support policies. Intergraph has no obligation for Third Party Hardware services other than to pass Customer’s support call to the Service Provider.

Services for any third party hardware that are not listed on the Quote must be obtained by Customer directly from the Service Provider.

CITY CLERK
ORIGINAL

C-7811
10/25/2011

**CAD/MPS/RMS/AFR SYSTEM AGREEMENT
BETWEEN
INTERGRAPH CORPORATION
AND
CITY OF GLENDALE**

This CAD/MPS/RMS/AFR System Agreement ("Agreement") is entered into this 25th day of October, 2011 by and between Intergraph Corporation ("Intergraph"), a Delaware corporation which is authorized to do business in Arizona ("Intergraph"), and the City of Glendale, Arizona, a municipal corporation, acting through the Glendale Police Department ("Glendale"). Intergraph and Glendale may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. Intergraph owns or is authorized to license certain law enforcement computer software programs and related documentation and is in the business of licensing such software programs and providing configuration, development, implementation, maintenance and other support services in respect to such software programs.

B. Glendale desires to contract for the purchase, implementation, and maintenance of an integrated police technology system that includes Computer Aided Dispatch ("CAD"), Mobile for Public Safety ("MPS"), Record Management ("RMS"), and Automatic Field Reporting ("AFR").

C. Glendale and Intergraph 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 the Agreement, and other good and valuable consideration, Glendale and Intergraph agree as follows:

Section 1 ORDER OF PRECEDENCE

The exhibits listed below are incorporated into and made a part of this Agreement. In interpreting this Agreement and resolving any ambiguities, and notwithstanding anything in the Exhibits C-Intergraph End-User License Agreement to the contrary, the main body of this Agreement takes precedence over the exhibits and any inconsistency between Exhibits A through G will be resolved in their listed order.

Exhibit A	Pricing and Detail Summary	
Exhibit B	Statement of Work	
	Attachment A-1	Reliability Test Criteria
	Attachment A-2	Hardware Specifications
	Attachment A-3	Project Deliverable Sign-off Form
	Attachment A-4	Customer Support Center
	Attachment A-5	Sample Acceptance Test Plan
	Attachment A-6	Draft Project Schedule
	Attachment A-7	Configuration Diagram
	Attachment A-8	Interface Descriptions
	Attachment A-9	Training Plan
Exhibit C	Intergraph End-User License Agreement	

Exhibit D	U.S. Maintenance Terms and Conditions for Software
Exhibit E	Payment Milestones
Exhibit F	Intergraph Proposal Response to Glendale's Solicitation #10-06 dated 11/22/2010 (including clarifications)
Exhibit G	Glendale Request for Proposal for an Integrated Police Communications System Solicitation #10-06

Section 2 DEFINITIONS

Capitalized terms used in this Agreement have the following meanings:

"Confidential Information" means information of either Party which in documentary or other tangible form is clearly and conspicuously marked as 'Confidential' or some similar marking. Verbal disclosures must be identified as confidential at the time of disclosure and must be confirmed in writing as confidential within thirty (30) days of the initial disclosure. Confidential Information shall not include information that:

(a) was in the public domain at the time of disclosure, or is subsequently made available to the general public without restriction by the disclosing Party;

(b) was known to the recipient at the time of disclosure without restrictions on its use or independently developed by the recipient Party without the breach of this Agreement, and there is adequate documentation to demonstrate either condition;

(c) is used or disclosed with the prior written approval of the disclosing Party;

(d) was disclosed without restriction to the recipient Party from a source other than the disclosing Party who is not under any obligation of confidentiality with respect to such information.

"Contract Price" means the price for the System, including applicable freight charges and excluding applicable sales tax, if any, as set forth on the Pricing and Detail Summary, Exhibit A.

"Effective Date" means that date upon which the last Party executes this Agreement.

"Equipment" means the equipment that Glendale purchases from Intergraph under this Agreement. Equipment that is part of the System is described in the Pricing and Detail Summary, Exhibit A.

"**Extended Warranty Period**" shall mean the twelve (12) month coverage period that begins upon the date of Subsystem Cutover.

"**Force Majeure**" means an event, circumstance, or act of a third party that is beyond a Party's reasonable control (e.g., an act of God, an act of the public enemy, an act of a government entity, strikes or other labor disturbances, hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, and riots or any other similar cause).

"**Intergraph Software**" means any Intergraph computer software, object code copy, and all of the contents of the files, disk(s), CD-ROM(s) or other media, including any templates, printed materials, and online or electronic documentation, all copies, and any modified versions, fixes, patches and updates.

"Specifications" means the requirements of this Agreement set forth in Exhibit G (Glendale Request for Proposal for an Integrated Police Communications System Solicitation #10-06) as modified and clarified by Intergraph in Exhibit F (Intergraph Proposal Response to Glendale's Solicitation #10-06 dated 11/22/2010) and Exhibit B (Statement of Work).

"**Subsystem**" means individually the Computer Aided Dispatch ("CAD"), Mobile for Public Safety ("MPS"), Record Management ("RMS") or Automatic Field Reporting ("AFR") systems.

"System" means the Equipment, Software, and incidental hardware and materials that are combined together, configured, and implemented in an integrated police technology system, including CAD, MPS, RMS, and AFR. The System is more fully described in the Pricing and Detail Summary set forth in Exhibit A and implemented by the Parties as set forth in the Statement of Work set forth in Exhibit B.

"Warranty Period" means the coverage period that begins upon installation of the Software and ends at Subsystem Cutover.

Section 3 SCOPE OF AGREEMENT AND TERM

3.1. SCOPE OF WORK. Intergraph will license, ship, configure, install, test, and maintain the System, and perform its other contractual responsibilities, all in accordance with this Agreement. Glendale will perform its contractual responsibilities in accordance with this Agreement. The scope of implementation services to be performed is set forth in the Statement of Work and is hereby incorporated into this Agreement in Exhibit B.

3.2. GLENDALE'S BUSINESS REQUIREMENTS. Intergraph is aware of Glendale's business requirements for the intended use of the System as an integrated public safety technology system, including CAD, MPS, RMS, and AFR, as specifically set forth in this Agreement.

3.3. TERM. Unless terminated in accordance with other provisions of this Agreement or extended by mutual written agreement of the Parties, the term of this Agreement begins on the Effective Date and continues until the expiration of the Extended Warranty Period.

3.4. CHANGE ORDERS. Either Party may request changes within the general scope of this Agreement, including but not limited to alterations, additions, deviations, and omissions from or to the Statement of Work and the associated deliverables. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, Intergraph will notify Glendale at the time of making the request or within thirty (30) days of receiving a request from Glendale. The Parties will work to agree to an equitable adjustment of the Agreement Price, Statement of Work (including but not limited to changes in the Project Schedule), or both, and will reflect the adjustment in a Change Order. Neither Party is obligated to perform requested changes unless both Parties execute a written Change Order. Adjustments to the Agreement Price require a written amendment to this Agreement and may require Glendale City Council Approval. Change Orders by Glendale to implement an Option as set forth on Exhibit A – Pricing and Detail Summary will be at the price set forth in Exhibit A, less applied discount (if applicable), until Subsystem Cutover to live production (see Exhibit A, note 10).

Intergraph has based its pricing for services to implement the System utilizing the draft Project Schedule (as may be amended by the Parties at the Project Kickoff) shown in **Exhibit B - Statement of Work**. Intergraph will provide notice (on a form mutually agreed to by the project team) to Glendale whenever a material delay is known to or anticipated by Intergraph in order Glendale may have an opportunity to resolve or mitigate the delay. In the event that Glendale causes a material delay in the project, the parties will seek to negotiate an equitable adjustment to pricing and schedule using the change order process in this Section. If an equitable adjustment is not reached through negotiation the Parties will submit to Dispute Resolution pursuant to Section 9 as set forth in this Agreement.

If a change to the Agreement pricing occurs pursuant to this paragraph, Intergraph will substantiate any adjustments to pricing.

3.5. MAINTENANCE SERVICE. At the conclusion of the Extended Warranty Period, Intergraph will provide two (2) years of maintenance services for the Equipment and support for the Intergraph Software pursuant to the pricing set forth in Exhibit A and the U.S. Maintenance Terms and Conditions for Software in Exhibit D, unless otherwise modified by this Agreement. The initial two (2) years of maintenance and support services are included in the Agreement Price. Annually, for each year of the prepaid Maintenance Period, Glendale will review and approve the yearly quotation for services.

3.6. SOFTWARE LICENSES. In consideration of payment of license fees Intergraph grants to Glendale and Glendale hereby accepts perpetual licenses for the deliverables in Exhibit A – Pricing and Detail Summary, Exhibit B – Statement of Work, and any subsequent Change Orders executed by the parties (hereafter known as "Software Products" under Exhibit C), subject to the terms and conditions of the End User License Agreement attached hereto as Exhibit C, except as may be modified by this Agreement. Third-party software is licensed to Glendale pursuant to the Software License Agreement delivered with the software product. Ownership of software and deliverables shall at all times rest with Intergraph or the relevant third party. Intergraph may terminate licenses under the End-User License Agreement in Exhibit C and seek any remedies under law or equity for any material breach of their respective End-User License Agreement or for non-payment of the license fees.

Exhibit C is revised/ clarified to reflect the following understanding of the parties:

- Regarding references throughout Exhibit C to subscription licenses, none of the Software Products proposed under this Agreement are licensed as a subscription license.
- Under Section 2.3, the City is not required to install every Update as a condition of licensing the Software Products. In the fourth sentence, "availability" is defined as the date which Glendale installs an Update.
- Under Section 5.0 (Audit), the City will not be liable for interest in the amount of two percent (2%) per month or higher rate allowed by applicable law.
- Notwithstanding anything in the Exhibit C to the contrary, comparable Sections of this Agreement shall take precedent over the following Sections of Exhibit C: Sections 6.2 (Intellectual Property Infringement), 7.0 (Limited Warranties) 8.0 (Warranty Disclaimers), 9.0 (Limitation of Liability), and 11.9 (Governing Law; Venue and Jurisdiction).

Section 4 PERFORMANCE SCHEDULE

The Parties will perform their respective responsibilities in accordance with the draft Project Implementation Schedule as may be amended by the parties at the Project Kickoff. By executing this Agreement, Glendale authorizes Intergraph to proceed with contract performance for items included in the Total System Base Price as set forth in Exhibit A – Pricing and Detail Summary.

Section 5 AGREEMENT PRICE, PAYMENT AND INVOICING

5.1. AGREEMENT PRICE. The Agreement Price in U.S. dollars for all equipment, software and services pursuant to this Agreement, including those furnished by subcontractors, shall not exceed Four Million Two Hundred Thousand dollars ($4,200,000.00), excluding taxes and change orders for non-option items, as specifically detailed in Exhibit A - Pricing and Detail Summary. The not to exceed price includes optional items which may be added at a later date by the Parties using a Change Order. This Agreement Price also includes two (2) years of maintenance services as set forth in Section 3.5.

5.2. INVOICING AND PAYMENT. Intergraph's and Glendale's authorized representatives will sign-off on the Project Deliverable Sign-off Form (Exhibit B, Attachment A-3) within ten (10) workdays of the completion of a milestone. If a milestone is rejected for any reason, Glendale will provide a written description of the deficiencies to Intergraph within ten (10) workdays. The Parties will work to resolve any deficiencies and Intergraph will resubmit the payment Project Deliverable Sign-off Form for Glendale's approval. If Glendale fails to accept or reject a milestone within ten (10) workdays, or if Glendale elects to place a Subsystem into production operation, then Intergraph will be paid the full contract price for the milestone. Intergraph will submit invoices to Glendale according to the payment milestones set forth in Exhibit E. Glendale will make payments to Intergraph within thirty (30) days after receipt of each invoice. Glendale will make payments when due in the form of a wire transfer, check, or cashier's check from a U.S. financial institution.

5.3. FREIGHT, TITLE, AND RISK OF LOSS. ADDRESS FREIGHT CHARGES, PASSAGE OF TITLE TO EQUIPMENT; RISK OF LOSS. Title to the Equipment and risk of loss will pass to Glendale upon delivery. Title to Software will not pass to Glendale at any time. Intergraph will pack and ship all

Equipment in accordance with good commercial practices. Intergraph shall be totally responsible and liable for the safety, security, and accuracy of shipment inventory of all products until delivered.

5.4. INVOICING AND SHIPPING ADDRESSES. Invoices will be sent to Glendale at the following address:

Glendale Police Department
Attn: Budget
6835 North 57th Drive
Glendale, Arizona 85301

Glendale is not liable for delays in payment caused by failure of Intergraph to send invoice to the address specified.

The Equipment and software will be shipped to Glendale at the following address:

Glendale Police Department
Attn: Technical Services
6835 North 57th Drive
Glendale, Arizona 85301

Glendale may change this information by giving written notice to Intergraph.

Section 6 ACCESS TO SITES

Glendale agrees to allow Intergraph personnel reasonable access to Glendale's site and facilities (telephone, facsimile, parking, etc.) during normal business hours and at other times as agreed. Glendale understands and agrees that on-site Intergraph personnel may need to work Saturdays and Sundays during the installation period and will have the work areas accessible to them on those days as required.

Certain individuals associated with Intergraph may require access to Glendale systems or facilities to perform services or provide products pursuant to this Agreement. Therefore, Glendale may need to perform background checks, in the form of fingerprints and criminal background history checks, on those individuals who will have access to Glendale systems or facilities. Intergraph shall provide consent to such background checks in the form required by Glendale. Consequently, Intergraph will, within fifteen (15) calendar days of the signing of this Agreement, furnish Glendale with the completed background check forms from each individual who will require access to Glendale systems or facilities to perform services or provide products pursuant to this Agreement, and Glendale shall reasonably expedite all background checks.

Section 7 REPRESENTATIONS AND WARRANTIES

7.1. INTERGRAPH WARRANTY COVERAGE. Intergraph products are warranted, when properly installed, to operate in substantial conformity with Specifications during the initial Warranty Period and for any Extended Warranty Period or maintenance period that may be purchased thereafter. Intergraph products are provided with non-mission critical support (5 days per week, 8 hours per day) up to the point of Subsystem Cutover to live operation. The cost of these warranty support services is included in the price of the Subsystem. After the initial Warranty Period, Glendale will purchase an Extended Warranty or maintenance services that include mission critical support (7 days per week, 24 hours per day). The cost and length of time for an Extended Warranty or maintenance services, if purchased, is reflected in Exhibit A – Pricing and Detail Summary.

7.2. THIRD-PARTY WARRANTY COVERAGE. Third-party products are provided with a pass-thru-warranty from the original manufacturer.

7.3. WARRANTY CLAIMS. To assert a warranty claim, Glendale must notify Intergraph in writing of the claim during the Warranty Period or Extended Warranty Period. Upon receipt of this notice, Intergraph will investigate the warranty claim. If this investigation confirms a warranty claim, Intergraph will (at its option and at no additional charge to Glendale) repair or replace the defective Intergraph

Software as set forth in the Statement of Work, Exhibit B, Attachment A-4. That action will be the full extent of Intergraph's liability for the warranty claim. Repaired product is warranted for the balance of the original applicable Warranty Period or Extended Warranty Period.

7.4. ORIGINAL END USER IS COVERED. These express limited warranties are extended by Intergraph to the original user purchasing the System for commercial, industrial, or governmental use only, and are not assignable or transferable.

7.5 DISCLAIMER OF OTHER WARRANTIES. THESE WARRANTIES ARE THE COMPLETE WARRANTIES FOR THE INTERGRAPH SOFTWARE PROVIDED UNDER THIS AGREEMENT AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. INTERGRAPH DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 8 DELAYS

8.1. FORCE MAJEURE. Neither Party will be liable for its non-performance or delayed performance if caused by a Force Majeure. A Party that becomes aware of a Force Majeure that will significantly delay performance will notify the other Party promptly (but in no event later than fifteen (15) days) after it discovers the Force Majeure. If a Force Majeure occurs, the Parties will execute a change order to extend the Performance Schedule for a time period that is reasonable under the circumstances.

Section 9 DISPUTES

The Parties will use the following procedure to address any dispute arising under this Agreement (a "Dispute").

9.1. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State Arizona.

9.2. NEGOTIATION. Either Party may initiate the dispute resolution procedures by sending a Notice of Dispute ("Notice of Dispute") in accordance with Section 15.8. The Parties will attempt to resolve the dispute promptly through good faith negotiations including 1) timely escalation of the dispute to executives who have authority to settle the dispute and who are at a higher level of management than the persons with direct responsibility for the matter and 2) direct communication between the executives. If the dispute has not been resolved within thirty (30) days from the Notice of Dispute, the Parties will proceed to mediation.

9.3 MEDIATION. The Parties will choose an independent mediator within thirty (30) days of a notice to mediate from either Party ("Notice of Mediation"). Neither Party may unreasonably withhold consent to the selection of a mediator. If the Parties are unable to agree upon a mediator, either Party may request that the American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will have a business executive with authority to settle the Dispute at the mediation. Final authority to settle may require approval by the Glendale City Council.

9.4. LITIGATION, VENUE and JURISDICTION. If a Dispute remains unresolved for ninety (90) days after receipt of the Notice of Mediation, either Party may then submit the Dispute to a court of competent jurisdiction in the state in which the System is installed. Each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts in such state over any claim or matter arising under or in connection with this Agreement.

9.5. CONFIDENTIALITY. All communications pursuant to subsections 9.2 and 9.3 will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law. The use of these Dispute resolution procedures will not be construed under the doctrines of laches, waiver or estoppel to affect adversely the rights of either Party.

Section 10 TERMINATION

10.1 DEFAULT OR BREACH BY A PARTY. If either Party fails to perform a material obligation under this Agreement, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by Glendale for failing to pay any amount when due under this Agreement which must be cured within a fifteen (15) calendar day period after receipt of notice of nonpayment, the defaulting Party will have thirty (30) calendar days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) calendar days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan.

10.2. FAILURE TO CURE. If a defaulting Party fails to cure the default as provided above in Section 10.1, unless otherwise agreed in writing, the non-defaulting Party may terminate this Agreement. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If Glendale is the non-defaulting Party, terminates this Agreement as permitted by this Section, and completes the System through a third Party, Glendale may as its exclusive remedy recover from Intergraph reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the Agreement Price. Glendale will mitigate damages and provide Intergraph with detailed invoices substantiating the charges. Glendale must return all products or pay in full for any products it possesses after the date of termination.

10.3. TERMINATION FOR CONVENIENCE: Glendale reserves the right to terminate this Agreement or any part hereof for its sole convenience with thirty (30) days written notice. In the event of such termination, Intergraph shall immediately stop all work hereunder, and shall immediately cause any of its subcontractors and suppliers to cease such work. Intergraph shall be paid a reasonable termination charge consisting of competed milestones and actual costs for work in process up to the date of termination. Intergraph will mitigate damages and provide Glendale with detailed invoices substantiating the charges. Intergraph shall not be paid for any work done after the date of the termination or for any costs incurred by Intergraph's suppliers or subcontractors which Intergraph could reasonably have avoided.

10.4. FUNDS APPROPRIATION. If the Glendale City Council does not appropriate funds to continue this Agreement and pay for charges hereunder, Glendale may terminate this Agreement at the end of the then-current fiscal year. Glendale agrees to give thirty (30) days written notice of termination pursuant to Section 15.8 and will pay to Intergraph all completed milestones and work in process and products provided through the date of termination. Intergraph will mitigate damages and provide Glendale with detailed invoices substantiating the charges. Intergraph shall not be paid for any work done after the date of the termination or for any costs incurred by Intergraph's suppliers or subcontractors which Intergraph could reasonably have avoided

Section 11. INSURANCE REQUIREMENTS

Intergraph and subcontractors shall procure and maintain until all of their obligations have been discharged, including until all warranty and maintenance periods under this Agreement are expired, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work or maintenance services hereunder by the Intergraph, its agents, representatives, employees or subcontractors.

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

11.1 MINIMUM SCOPE AND LIMITS OF INSURANCE: Intergraph shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form
Policy shall include the following: premises/operations, products/completed operations, contractual, independent contractors, broad form property damage, and personal injury.

General Aggregate	$5,000,000
Each Occurrence	$2,000,000

The City of Glendale, its agents, representatives, officers, directors, officials and employees shall be named an additional insured, with respect to liability arising out of the activities performed by, or on behalf of the Intergraph.

2. Business 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

For this Agreement, the City of Glendale, its agents, representatives, officers, directors, officials and employees shall be named an additional insured, with respect to liability arising out of the activities performed by, or on behalf of the Intergraph, including automobiles owned, leased, hired or borrowed by the Intergraph.

3. 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

4. Technology Errors and Omissions Liability
A Technology Errors and Omissions liability policy providing a minimum limit of $1,000,000 for each claim and $2,000,000 aggregate. Intergraph shall obtain and maintain said Technology Errors and Omissions liability insurance during the life of this Agreement, including any maintenance periods, and for three years after the completion of the work hereunder.

11.2 ADDITIONAL INSURANCE REQUIREMENTS: The policies are to contain the following provisions:

1. Intergraph's insurance coverage shall be primary insurance.
2. Coverage provided by the Intergraph shall not be limited to the liability assumed under the indemnification provisions of this Agreement.
3. All policies, except Technology Errors and Omissions insurance, shall waive rights of recovery (subrogation) against Glendale, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or maintenance services performed under this Agreement, including Exhibits.

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

11.3 ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than "A-". Glendale in no way warrants that the above-required minimum insurer rating is sufficient to protect Intergraph from potential insurer insolvency.

11.4 VERIFICATION OF COVERAGE: Intergraph shall furnish Glendale with certificate(s) of insurance (ACORD form or equivalent approved by the Glendale) as required by this Agreement. The certificate(s) of insurance is to be issued by a person authorized by that insurer to bind coverage on its behalf.

Certificate(s) of insurance is to be received and approved by the Glendale upon execution of the Agreement and 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 the Agreement and this Agreement may be terminated at the Glendales's option.

All certificates required by this Agreement shall be sent directly to **Glendale Department Risk Management division at 5850 W. Glendale Ave., Glendale, AZ 85301.**

11.5 SUBCONTRACTORS: Intergraph shall furnish to the Glendale separate certificates for each subcontractor. All coverages for subcontractors shall be subject to requirements identified above.

11.6 APPROVAL: Any modification or variation from the insurance requirements in this Agreement must have prior approval from the Glendale Legal Department, whose decision shall be final. Such action will not require a formal Agreement amendment, but may be made by administrative action.

Section 12 INDEMNIFICATION

12.1. GENERAL INDEMNITY BY INTERGRAPH. Intergraph and its successors, assigns and guarantors, will defend, indemnify and hold harmless Glendale, its agents, representatives, officers, directors, officials and employees, from any and all third party liability or expense, due to claims for personal injury, death, sickness or direct damage or destruction to tangible property, real or personal, which may accrue against Glendale, its agents, representatives, officers, directors, officials or employees to the extent it arises from or is caused by a negligent act or omission, or intentional act of Intergraph, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Glendale gives Intergraph prompt, written notice of any claim or suit. Glendale will cooperate with Intergraph in its defense or settlement of the claim or suit. This section sets forth the full extent of Intergraph's general indemnification of Glendale from liabilities that are in any way related to Intergraph's performance under this Agreement.

Insurance provisions set forth in this Agreement shall not be construed in any way to limit or expand the scope and magnitude of the indemnity requirements.

12.2. GENERAL INDEMNITY BY GLENDALE. Glendale will indemnify and hold Intergraph harmless from any and all liability or expense due to claims for personal injury, death, sickness to any person or direct damage to tangible property, real or personal, which may accrue against Intergraph to the extent it is caused by the negligence of Glendale, its other contractors, or their employees or agents, while performing their duties under this Agreement, if Intergraph gives Glendale prompt, written notice of any the claim or suit. Intergraph will cooperate with Glendale in its defense or settlement of the claim or suit. This section sets forth the full extent of Glendale's general indemnification of Intergraph from liabilities that are in any way related to Glendale's performance under this Agreement.

12.3. PATENT AND COPYRIGHT INFRINGEMENT.

12.3.1. Intergraph will, at its own expense, defend, indemnify and hold harmless Glendale, its officers, employees and agents against any action to the extent it is based on a third-party claim, demand, cause of action, debt or liability, including attorneys' fees, alleging that the Intergraph Software used hereunder ("Product") infringes or violates any patent, copyright, trade secret, license or other property rights of any third party ("Infringement Claim"), whether or not such claim is successful. Intergraph's duties to defend and indemnify are conditioned upon: Glendale promptly notifying Intergraph in writing of the Infringement Claim; Intergraph having sole control of

the defense of the suit and all negotiations for its settlement or compromise, unless Intergraph is unwilling or unable to provide such defense or indemnity to Glendale's reasonable satisfaction; and Glendale providing to Intergraph reasonable cooperation.

12.3.2. If an Infringement Claim occurs, or in Intergraph's opinion is likely to occur, Intergraph may at its option and expense: (a) procure for Glendale the right to continue using the Product; (b) replace or modify the Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) in the event neither (a) nor (b) are available to Intergraph, accept the return of the Product once Glendale has arranged for the continuation of the functions performed by the Product and repay Glendale all of the license fees attributable to the products which are not usable.

12.3.3. Intergraph will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Product with any software, apparatus or device not furnished or approved for use by Intergraph; (b) the use of ancillary equipment or software not furnished or approved by Intergraph and that is attached to or used in connection with the Product; (c) Product designed or manufactured in accordance with Glendale's technical designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Product by a party other than Intergraph; (e) use of the Product in a manner for which the Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Glendale to install an enhancement release to the Intergraph Software that is intended to correct the claimed infringement and so identified to Glendale by written notice pursuant to Section 15.8.

12.3.4. This Section 12 provides Glendale's sole and exclusive remedies and Intergraph's entire liability in the event of an Infringement Claim. Glendale has no right to recover and Intergraph has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim.

Section 13 LIMITATION OF LIABILITY

In no event shall Intergraph be liable for any indirect, incidental, consequential, punitive or special damages arising out of or in connection with the performance of this Agreement, including Exhibits, regardless of the legal theory under which such damages are incurred. Except for indemnification claims under Section 12.1 for Intergraph's negligence and under Section 12.3 for Infringement Claims, Intergraph's total liability for any and all damages whatsoever arising out of or in any way related to this Agreement from any cause shall not exceed the cumulative amounts paid by Glendale under this Agreement for software, implementation services, training and Extended Warranty as set forth in Exhibit A – Pricing and Detail Summary. Notwithstanding the foregoing, claims related to maintenance services under Exhibit D shall be limited as set forth in Section 17 of Exhibit D. Except as otherwise provided by applicable law, no claim, regardless of form, arising out of or in connection with this Agreement may be brought by Glendale more than two (2) years after Glendale has knowledge of the cause of action.

Section 14 CONFIDENTIALITY AND PROPRIETARY RIGHTS

14.1. CONFIDENTIAL INFORMATION.

14.1.1 During the term of this Agreement, the parties may provide each other with Confidential Information. To the extent permitted by Arizona Public Records Law, A.R.S. § 39-101 *et seq.*, each Party will: maintain the confidentiality of the other Party's Confidential Information and not disclose it to any third party, except as authorized by the disclosing Party in writing or as required by a court of competent jurisdiction; restrict disclosure of the Confidential Information to its employees who have a "need to know" and not copy or reproduce the Confidential Information; take necessary and appropriate precautions to guard the confidentiality of the Confidential Information, including informing its employees who handle the Confidential Information that it is confidential and is not to be disclosed to others, but these precautions will be at least the same degree of care that the receiving Party applies to its own confidential information and will not be

less than reasonable care; and use the Confidential Information only in furtherance of the performance of this Agreement. Confidential Information is and will at all times remain the property of the disclosing Party, and no grant of any proprietary rights in the Confidential Information is given or intended, including any express or implied license, other than the limited right of the recipient to use the Confidential Information in the manner and to the extent permitted by this Agreement.

14.1.2 If Intergraph's confidential information is requested to be divulged under the provisions of the Arizona Public Records laws, A.R.S, §39-101 *et seq,*, Intergraph shall reimburse Glendale for the full cost of litigating City's refusal to release the information, including costs of litigation, City attorney fees, fines, penalties or assessments of opposing party's attorney fees.

14.2. PRESERVATION OF INTERGRAPH'S PROPRIETARY RIGHTS. Intergraph, the third party manufacturer of any Equipment, and the copyright owner of any Non-Intergraph Software own and retain all of their respective proprietary rights in the Equipment and software, and nothing in this Agreement is intended to restrict their proprietary rights. All intellectual property developed, originated, or prepared by Intergraph in connection with providing to Glendale the Equipment, Intergraph Software, or related services remain vested exclusively in Intergraph, and this Agreement does not grant to Glendale any shared development rights of intellectual property. Except as explicitly provided in the EULA (Exhibit C), Intergraph does not grant to Glendale, either directly or by implication, estoppel, or otherwise, any right, title or interest in Intergraph's Proprietary rights. Glendale will not modify, disassemble, peel components, decompile, otherwise reverse engineer or attempt to reverse engineer, derive source code or create derivative works from, adapt, translate, merge with other software, reproduce, distribute, sublicense, sell or export Intergraph Software, or permit or encourage any third party to do so. The preceding sentence does not apply to open source software which is governed by the standard license of the copyright owner.

Section 15 GENERAL

15.1. TAXES. Intergraph shall be responsible for payment of all federal, State of Arizona, and City of Glendale taxes based on Intergraph's income or net worth. The Agreement Price does not include any excise, sales, lease, use, property, or other taxes, assessments or duties, all of which will be paid by Glendale except as exempt by law. If Intergraph is required to pay any of these taxes on Glendale's behalf, Intergraph will send an invoice to Glendale and Glendale will pay to Intergraph the amount of the taxes (including any interest and penalties) within thirty (30) days after the date of the invoice, except interest and penalties that are due solely to the fault of Intergraph. Glendale will be solely responsible for reporting the Equipment for personal property tax purposes, and Intergraph will be solely responsible for reporting taxes on its income or net worth. Glendale is exempt from Federal Excise Tax and will furnish an Exemption Certificate upon Intergraph's request.

15.2. ASSIGNABILITY AND SUBCONTRACTING. This Agreement shall extend to and be binding upon Intergraph, its successors and assigns. Except as provided herein, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld. Any attempted assignment, delegation, or transfer without the necessary consent will be void. Notwithstanding the foregoing, in the event Intergraph separates one or more of its businesses (each a "Separated Business"), reorganizes, or is acquired by a third party, whether by way of a sale, establishment of a joint venture, spin-off or otherwise (each a "Separation Event"), Intergraph may, without the prior written consent of the other Party and at no additional cost to Intergraph, assign this Agreement such that it will continue to benefit the Separated Business and its affiliates (and Intergraph and its affiliates, to the extent applicable) following the separation event. Intergraph may subcontract any of the work, with the City's consent, but subcontracting will not relieve Intergraph of its duties under this Agreement.

15.3 WAIVER. Failure or delay by either Party to exercise a right or power under this Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

15.4. SEVERABILITY. If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

15.5. INDEPENDENT CONTRACTORS. Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

15.6. HEADINGS AND SECTION REFERENCES. The title and section headings in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as a limitation of the scope of the particular section to which it refers. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

15.7. ENTIRE AGREEMENT. This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Glendale purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each Party signs that document.

15.8. NOTICES. Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address shown below by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as Federal Express, UPS, or DHL), or by facsimile with correct answerback received, and will be effective upon receipt:

If to Intergraph Corporation:

Intergraph Corporation
Attn: Alan R. Estep, Executive Manager
19 Interpro Road
Madison, AL 35758

If to Glendale:

Glendale Police Department
Attn: Steve Conrad, Police Chief
6835 North 57th Drive
Glendale, Arizona 85301

CC: Glendale City Attorney's Office
Attn: Craig Tindall, City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

15.9. COMPLIANCE WITH APPLICABLE LAWS. Each Party will comply with all applicable federal, state, and local laws, regulations and rules concerning the performance of this Agreement or use of the System.

15.10. AUTHORITY TO EXECUTE AGREEMENT. Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in

accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

15.11. SURVIVAL OF TERMS. The following provisions will survive the expiration or termination of this Agreement for any reason: Section 3.5 (Maintenance); Section 3.6 (Software License); Sections 5.1 and 5.2 (Agreement Price and Invoicing and Payment), if any payment obligations exist,; Subsection 9.7 (Disclaimer of Implied Warranties); Section 12 (Disputes); Section 12.1 (General Indemnity by Intergraph) for the Term of this Agreement and any maintenance periods under Exhibit D; Section 12.3 (Patent and Copyright Infringement) for the Term of this Agreement any maintenance periods under Exhibit D; and Section 14 (Confidentiality and Proprietary Rights); Section 16 (Immigration Law Compliance); Section 17 (Foreign Prohibitions); Section 18 (Conflicts of Interest); Section 20 (Software Escrow); and all of the General provisions in Section 15.

Section 16 IMMIGRATION LAW COMPLIANCE

16.1. Intergraph, 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.

16.2. 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.

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

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

16.5. Intergraph 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 Glendale. Intergraph 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 Glendale.

16.6. Intergraph's warranty and obligations under this Section 17 to the Glendale are continuing throughout the term of this Agreement or until such time as the Glendale determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

16.7. 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.

Section 17 FOREIGN PROHIBITIONS

Intergraph 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.

Section 18. CONFLICT OF INTEREST

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

Section 19. DISCLAIMER

Any future commercial off-the-shelf functionality or roadmap information Intergraph has shared with Glendale during the proposal / contract activities to date, was to provide an understanding of Intergraph's current expected direction, roadmap or vision and is subject to change at any time at Intergraph's sole discretion. Intergraph does not commit to develop the future features, functions and products discussed in this material beyond that which is specifically committed to be provided by Intergraph as part of this Agreement. Glendale should not factor any future features, functions or products into its current buying decision since there is no assurance that such future features, functions or products will be developed. When and if these future features, functions or products are developed, they will generally be available for licensing by Intergraph.

Section 20 SOFTWARE ESCROW

Intergraph shall provide all source code and any updates or fixes for the Intergraph Commercial Off The Shelf ("COTS") application software that Glendale has purchased from Intergraph for safekeeping with Iron Mountain Intellectual Property Management ("IMIPM"); an escrow agent located at 2100 Norcross Parkway, Suite 150, Norcross, Georgia 30071. The software source code deposited with the escrow agent will be a snapshot of all source code maintained by Intergraph in the form of a **Microsoft Visual Source Safe Archive**. In this way, as beneficiary of the escrow agreement between Intergraph and IMIPM, Glendale will have access to all source code of the products that they license for all versions of the software. Upon taking possession of the source code, Glendale will have the right to use the source for products that they license in the versions currently installed on the System or any subsequent versions in the archive. Intergraph will make a deposit of the Source Safe Archive with the escrow agent once every six (6) months.

Glendale hereby agrees to pay the yearly standard fee for a beneficiary of the source code as set forth in Exhibit A-Pricing and Detail Summary. Iron Mountain will confirm beneficiary status with Glendale within sixty (60) days of the Effective Date.

Glendale shall have access to the source code only in the event Intergraph becomes unable to, or otherwise fails to, maintain the software during the Warranty, Extended Warranty, or maintenance periods, or if Intergraph decides to stop support of the software application(s), or Intergraph becomes bankrupt.

Upon Glendale taking possession of the source code, Glendale hereby agrees as follows:

(1) Glendale accepts full and total responsibility for the safekeeping of the source code. Glendale agrees that such source code shall be subject to the restrictions of transfer, sale, and reproduction placed on the software itself as stated in the End-User License Agreement(s) in effect at the time of release.

(2) Glendale agrees to only use source code related to applications for which they own a license. There will be source from other applications in the archive.

(3) Glendale agrees that any unauthorized release of the source code may cause irreparable harm to Intergraph. Therefore Glendale agrees to compensate Intergraph for any and all damages Intergraph suffers, to include reasonable attorney's fees, resulting directly or indirectly from, but not limited to, the mishandling, misuse, or theft of the source code, regardless of intent, or the absence thereof, by Glendale, its employees, former employees, agents and third-party associates if so ordered by the court. Notwithstanding the foregoing, Glendale agrees that Intergraph is entitled to an immediate temporary injunction to stop any further alleged or actual disclosure.

(4) No license under any trademark, patent, copyright, or any other intellectual property right, is either granted or implied by the disclosure of the source code to Glendale. Intergraph's disclosure of the source code to Glendale shall not constitute any representation, warranty, assurance, guarantee or inducement by Intergraph to Glendale of any kind, and, in particular, with respect to the non-infringement of trademarks,

patents, copyrights, or any other intellectual property rights, or other rights of third persons or of Intergraph.

(5) Intergraph will not be responsible for maintaining the source code. Furthermore, Intergraph will not be liable for any consequences related to the use of source code modified by Glendale.

Remainder of Page Intentionally Left Blank

Signatures on Following Page

The Parties hereby enter into this Agreement as of the Effective Date.

City of Glendale,

an Arizona municipal corporation

By: Ed Beasley
Its: City Manager

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

Intergraph Corporation,
a Delaware corporation

By:
Its:

STATE OF ALABAMA)
) ss.
County of Madison)

Subscribed and sworn to before me this _____ day of _____, 2011, by _____, the _____ of Intergraph Corporation, a Delaware corporation.

Notary Public

My Commission Expires:

_____

The Parties hereby enter into this Agreement as of the Effective Date.

City of Glendale,

an Arizona municipal corporation

_____

By: Ed Beasley
Its: City Manager

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

Intergraph Corporation,
a Delaware corporation

Beth Johnson

By: Beth Johnson
Its: Exec. Director

STATE OF ALABAMA)
) ss.
County of Madison)

Subscribed and sworn to before me this 6th day of October, 2011, by Beth Johnson, the Exec Director of Intergraph Corporation, a Delaware corporation.

Laura Elizabeth Ezzell
Notary Public
Laura Elizabeth Ezzell

My Commission Expires:

_____

My Commission Expires 02/02/2014

CITY CLERK
ORIGINAL

C-7811-1
12/10/2013

AMENDMENT NO. 1
CAD/MPS/RMS/AFR SYSTEM AGREEMENT (Contract No. C-7811)
City of Glendale Solicitation No. 10-06

This Amendment No. 1 ("Amendment") to the CAD/MPS/RMS/AFR System Agreement between Intergraph Corporation and City of Glendale, Contract No. C-7811 ("Agreement") is made this 10th day of ~~November,~~ December 2013 ("Effective Date"), by and between the City of Glendale, an Arizona municipal corporation ("Glendale") and Intergraph Corporation, a Delaware corporation which is authorized to do business in Arizona ("Intergraph").

RECITALS

A. Glendale and Intergraph previously entered into the Agreement, dated October 25th, 2011 and

B. Glendale and Intergraph wish to modify and amend the Agreement subject to and strictly in accordance with the terms of this Amendment.

AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Glendale and Intergraph hereby agree as follows:

1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.

2. **Section 3, Scope of Agreement and Term.** Paragraph 3.5 of the Agreement is deleted in its entirety and replaced with the following:

3.5. MAINTENANCE SERVICE. At the conclusion of the Extended Warranty Period, Glendale has the option of purchasing maintenance support in accordance with the pricing set forth in Exhibit A and the U.S. Maintenance Terms and Conditions for Software in Exhibit D, unless otherwise modified by this Agreement. Thereafter, annually at least 90 days prior to the expiration of the Extended Warranty Period or any successive maintenance periods thereafter, Intergraph will provide to Glendale a yearly quotation for services. If Glendale wishes to purchase optional maintenance and support services for the Equipment or Intergraph Software, Glendale will sign the yearly Quote (as defined in Exhibit D) and provide a purchase order to Intergraph prior to the expiration of the Extended Warranty Period or any successive maintenance periods thereafter."

3. **Section 5, Agreement Price, Payment and Invoicing.** Paragraph 5.1 of the Agreement is deleted in its entirety and is replaced by the following:

5.1. AGREEMENT PRICE. "The Agreement Price in U.S. dollars for all equipment, software and services pursuant to this Agreement, including those furnished by subcontractors, shall not exceed Four Million Six Hundred and Fifty Thousand dollars ($4,650,000.00), excluding taxes and change orders for non-option items. Pricing is specifically detailed in Exhibit A - Pricing and Detail Summary (as amended pursuant all subsequent change orders and this Amendment). The not to exceed price includes optional items which may be added at a later date by the Parties using a Change Order."

2. **Exhibit A – Pricing and Detail Summary for Glendale, Arizona.** The item descriptions set forth in Lines 1888 ("First Year Maintenance after Extended Warranty") and 1890 ("Second Year Maintenance after Extended Warranty") and values are moved from included in the project contract value to optional items which Glendale may purchase in the future. Current project contract value as of execution of the Amendment is $4,078,165.00 through Change Order number 8.

5. **Ratification of Agreement.** Glendale and Intergraph hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

6. **Contingency.** This Amendment is contingent upon the ratification of Change Orders numbered 7 and 8 by Glendale.

CITY OF GLENDALE, an Arizona municipal corporation

Brenda S. Fischer, City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael Bailey, City Attorney

Intergraph Corporation, a Delaware corporation

By: Jennifer Williams

Its: Director

File #: 14-426, **Version:** 1

AUTHORIZATION TO ENTER INTO LINKING AGREEMENT WITH KRONOS, INC. FOR TELESTAFF, A FIRE STAFF AND SCHEDULING SOFTWARE

Staff Contact: Mark Burdick, Fire Chief

Purpose and Recommended Action

This is a request for City Council to review and approve the service contract and agreement with Kronos, Inc. for Fire Department staffing and scheduling of personnel assigned to emergency operations in an amount not to exceed $99,385.16. This cooperative purchase is available through an agreement between the Mojave Educational Cooperative and Kronos, Inc. (Contract No. 14L-KRON-1107) and is effective through November 6, 2015 unless extended or renewed.

Background

Kronos, Inc. is the only vendor that provides TeleStaff, an automated employee scheduling and notification solution developed specifically for the Public Safety industry and designed to place inbound and outbound phone calls without the need for human intervention. Kronos, Inc. is both the manufacturer and sole provider of TeleStaff and all of its components including:

- Ensures implementation of fair and consistent staffing practices
- Automatically keeps an audit trail of the staffing rules used to fill vacancies for emergency operations
- Manages internal human resource policies
- Uses labor rules and guidelines to manage and modify the roster
- Shows and exports payroll, certification/license expiration, and work status information
- Manages a dynamic daily roster of all activities
- Reacts immediately to vacancies caused by work exceptions and automatically identifies the appropriate replacement personnel
- Generates detailed staffing and usage reports
- Manages automated rotating shifts, special assignments and shift changes
- Shows each member their own payroll data

Analysis

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's

procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2 -149 of the Glendale City Code, per review by Materials Management.

The technology and innovation behind TeleStaff will allow the fire department to spend less time trying to schedule and communicate with staff, and manage routine workforce tasks. This will allow a greater capacity for strategic and tactical management of all emergency operational staffing, including day to day operations, as well as vacancies created by staffing shortages. Listed below are a few examples:

- Pre-builds schedules and rosters
- Makes creating schedules and rosters quick and easy, based on shift requirements
- Delivers comprehensive employee scheduling
- Empowers managers to effortlessly staff employees to positions and shifts, even in the most complex scheduling environments
- Provides a real-time daily roster
- Displays in real time who is working a regular duty shift (plus any working or non-working exceptions, such as overtime, training, sick leave, vacation, etc.), and provides an at-a-glance view of employee qualifications and certifications
- Supports many organization levels

Community Benefit/Public Involvement

TeleStaff will help to assure that staffing on fire trucks are completed daily, which results in effective emergency response delivery to the citizens.

Budget and Financial Impacts

This is a one-time purchase of $79,385.16, with request for authorization for additional $20,000.00 for system and software upgrade within 6 months of implementation of this program. Our department has budgeted 9,078.14 for on-going 2 year agreement.

Cost	Fund-Department-Account
$99,385.16	1000-12492-518200 - Air-Med & Logistics Ops

Capital Expense? Yes

Budgeted? Yes.

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

Contract No. C-_____

LINKING AGREEMENT BETWEEN

THE CITY OF GLENDALE, ARIZONA AND

KRONOS INCORPORATED

THIS LINKING AGREEMENT is entered into as of _____ __, 2014, between the City of Glendale, an Arizona municipal corporation ("City") and KRONOS INCORPORATED, a Massachusetts corporation authorized to do business in Arizona ("Contractor"), collectively, the "Parties".

RECITALS

A. The MOHAVE EDUCATIONAL COOPERATIVE on November 7, 2014 entered into Contract Number 14L-KRON-1107, and subsequently the parties entered into various amendments to the contract (collectively, the KRONOS Contract), a copy of which is Attached as Exhibit A and incorporated by this reference.

B. The City is permitted to purchase the goods and services described in the KRONOS Contract without further public bidding, and the KRONOS Contract permits its cooperative use by other governmental agencies, including the City of Glendale.

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 of Glendale. The City of Glendale believes these conditions are met for purposes of the KRONOS Contract.

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 KRONOS Contract. Contractor consents to the City's utilization of the KRONOS Contract 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 by reference, and the covenants and promises contained in the Agreement, the Parties agree as follows:

1. TERM OF AGREEMENT. This Agreement is effective as of the date first set forth above and expires on November 6, 2015, or such other later date as the Mohave Educational Cooperative Agreement 14L-KRON-1107 expires pursuant to extensions or renewals that from time to time may be granted.

2. SCOPE OF WORK; TERMS, CONDITIONS, AND SPECIFICATIONS

a. Contractor will provide the City of Glendale the identical supplies, goods or services Contractor provided the MOHAVE EDUCATIONAL COOPERATIVE under the KRONOS Contract, as requested by the City of Glendale.

b. Contractor agrees to comply with all the terms, conditions and specifications of the KRONOS Contract for the purposes of this Agreement, and the Member Agreement: Kronos Terms and Conditions for Participating Public Agencies Administered by Mohave Educational Services Cooperative, Inc. (08-12-14) (Member Agreement") is attached as Exhibit A and incorporated in this LINKING AGREEMENT. The City of Glendale shall be substituted for "CUSTOMER" or similar references throughout the KRONOS Contract.

3. COMPENSATION

a. The City shall pay Contractor $79,385.16, the amount set forth on the Order Form attached hereto as Exhibit B, for the work described on the Order Form and Services Scope Statement, attached hereto as Exhibit C.

b. This amount is estimated and a change order would be executed if additional funds for additional hours are needed to complete the deliverables of the Statement of Work. The City acknowledges that the project may not be completed within the estimated hours. In addition, the City may from time to time elect to purchase additional goods and services from Contractor pursuant to the Contract, and the City will comply with all applicable laws regarding procurement and approval of such purchases.

4. CONFIDENTIAL INFORMATION. The Parties agree that the terms, conditions and pricing contained in this Agreement, the Member Agreement, and the Order Form are not Kronos' Confidential Information.

5. ARIZONA LAW. The parties agree that this Agreement and the KRONOS Contract shall be governed by Arizona law, including without limitation A.R.S. § 41-4401 (compliance with immigration laws) and A.R.S. § 38-511 (conflicts of interest).

6. COMPLETE AGREEMENT

a. This Agreement contains, except as stated below, the entire agreement between the Contractor and City.

b. This Agreement incorporates the following documents, which are attached as exhibits here to:
   i. Exhibit A, Member Agreement: Kronos Terms and Conditions for Participating Public Agencies Administered by Mohave Educational Services Cooperative, Inc. (08-12-14)
   ii. Exhibit B, Order Form No. 427580-1, effective as of the date of execution of this Agreement
   iii. Exhibit C, Services Scope Statement, Glendale Fire and Life Safety, New Workforce Telestaff Implementation, effective as of the date of execution of this Agreement

[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"

KRONOS INCORPORATED, a
Massachusetts corporation

By: _____

Name:

Title:

ATTEST:

_____
Pamela Hanna, City Clerk

Approved as to Form

_____
Michael D. Bailey, City Attorney

EXHIBIT A

Member Agreement: Kronos Terms and Conditions for Participating Public Agencies Administered by Mohave Educational Services Cooperative, Inc. (08-12-14)

Pursuant to Mohave Educational Cooperative Agreement 14L-KRON-1107

MEMBER AGREEMENT

KRONOS TERMS AND CONDITIONS FOR PARTICIPATING PUBLIC AGENCIES ADMINISTERED BYMOHAVE EDUCATIONAL SERVICES COOPERATIVE, Inc. (08-12-14))

KRONOS TERMS

A CUSTOMER, BY SIGNING AN ORDER FORM OR PURCHASE ORDER WHICH REFER TO THESE TERMS AND CONDITIONAS WITH KRONOS INCORPORATED, AGREES TO THE APPLICATION OF THESE TERMS AND CONDITIONS FOR ALL PRODUCTS, SERVICES AND OFFERINGS SET FORTH ON SUCH ORDER FORM (OR PURCHASE ORDER) WHICH REFERENCES THESE TERMS AND CONDITIONS.

SECTION A: GENERAL TERMS AND CONDITIONS. This Section apply for all transactions.

SECTION B: TERMS AND CONDITIONS FOR SOFTWARE LICENSES, SOFTWARE AND EQUIPMENT SUPPORT SERVICES, AND EDUCATIONAL AND PROFESSIONAL SERVICES. This Section apply for all transactions except Workforce Ready and the Workforce Central SaaS offering (not including the professional and educational services governed by this Section).

SECTION C: CLOUD HOSTING SUPPLEMENTAL TERMS AND CONDITIONS . This Section applies only for transactions that involve Kronos hosting for Software licensed under Section B and identified as CLOUD 2.

SECTION C-1: APPLICATION HOSTING TERMS AND CONDITIONS . This Section applies only for transactions that involve Kronos hosting for Software licensed under Section B and identified as CLOUD.

SECTION D: KRONOS WORKFORCE CENTRAL SAAS TERMS AND CONDITIONS. This Section applies only for Workforce Central transactions in a SaaS environment (except for the related professional and educational services see Section B)

SECTION E: KRONOS WORKFORCE READY SAAS TERMS AND CONDITIONS. This Section applies only for Workforce Ready transactions.

SECTION A: GENERAL TERMS AND CONDITIONS

1. APPLICATION OF THESE TERMS

These terms and conditions apply to each order accepted by Kronos Incorporated ("Kronos") from an eligible Public Agency ("Customer") who can purchase products or services through the Contract # 14L-KRON-1107 for all Kronos Equipment, Software, Professional and Educational Services, Support and such other Kronos offerings, as specified on an order form (an "Order").

In addition to the terms set forth in this Section A: General Terms and Condition, the following sections apply for the specific offering referenced:

(i) Section B shall apply to the Software licenses and purchased Equipment, support services, and professional and educational services,
(ii) Section C shall apply to the Hosting Services purchased in connection with certain Software licensed under Section B,
(iii) Section D shall apply to the Workforce Central Saas Orders; and
(iv) Section E shall apply to the Workforce Ready Saas Order.

All orders are subject to the approval of Kronos' corporate office in Chelmsford, Massachusetts. This Agreement and the Order Form shall supersede the pre-printed terms of any Customer purchase order or other Customer ordering document, and no such Customer pre-printed terms shall apply to the items ordered.

2. APPLICABLE LAWS

This Agreement shall be governed by the state law in which Customer is based, provided however, if such jurisdiction has adopted the Uniform Computer Information Transactions Act (UCITA), or such other similar law, the parties expressly agree to "opt-out" of and not be governed by UCITA or such other similar law. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of this Agreement.

3. EXPORT

Customer acknowledges that the Equipment and Software may be restricted by the United States Government or by the country in which the Equipment or Software is installed from export to certain countries and certain organizations and individuals, and agrees to comply with such laws. Customer agrees to comply with all applicable laws of all of the countries in which the Equipment and Software may be used by Customer. Customer's obligations hereunder shall survive the termination or expiration of the Order Form. Customer must obtain Kronos prior written consent before exporting the Software.

4. CONFIDENTIAL INFORMATION

"Confidential Information" is defined as information that is: i) disclosed between the parties after the date of this Agreement that is considered confidential or proprietary to the disclosing party; and ii) identified as "confidential" at the time of disclosure, or would be reasonably obvious to the receiving party to constitute confidential information because of legends or other markings, by the circumstances of disclosure or the nature of the information itself. Additionally, Customer acknowledges and agree that the Software (and Software documentation), and the Specifications shall be deemed to be Kronos' Confidential Information and trade secret. Each party shall protect the Confidential Information of the other party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither party shall disclose to third parties (except the parent company or the wholly owned subsidiaries of the receiving party who have a need to know) the other party's Confidential Information, or use it for any purpose not explicitly set forth herein, without the prior written consent of the other party. Notwithstanding the foregoing, a party may disclose Confidential Information to the extent required: (a) to any subsidiary or affiliate of such Party, or (b) to any consultants, contractors, and counsel who have a need to know in connection with the Agreement and who are under obligations of non-disclosure agreement at least as stringent as this section 4, or (c) by law (including the applicable public record laws), or by a court or governmental agency, or if necessary in any proceeding to establish rights or obligations under the Agreement; provided, the receiving party shall, unless legally prohibited, provide the disclosing party with reasonable prior written notice sufficient to permit the disclosing party an opportunity to contest such disclosure. If a party commits, or threatens to commit, a breach of this Section 4, the other party shall have the right to seek injunctive relief from a court of competent jurisdiction. The obligation of confidentiality shall survive for three (3) years after the disclosure of such Confidential Information.

This Agreement imposes no obligation upon either party with respect to the other party's Confidential Information which the receiving party can establish by legally sufficient evidence: (a) was rightfully possessed by the receiving party without an obligation to maintain its confidentiality prior to receipt from the disclosing party, (b) is generally known to the public without violation of this Agreement; (c) is obtained by the receiving party in good faith from a third party having the right to disclose it without an obligation with respect to confidentiality; (d) is independently developed by the receiving party without use of the disclosing party's confidential information, which can be shown by tangible evidence.

5. TAXES

If Customer presents to Kronos a validly issued tax-exempt certificate, or other sufficient evidence of tax exemption, Customer shall not be liable for those taxes for which Customer is exempt. Otherwise, Customer agrees to pay all other applicable duties and customs fees relating to this Agreement , as well as all taxes levied or based on the products, services or other charges hereunder, including federal, state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on Kronos net income or business privilege.

6. TRAVEL EXPENSES

Customer agrees to reimburse Kronos for all pre-approved, reasonable and necessary travel incurred by Kronos in the performance of its obligations under this Agreement, provided that such travel complies with the then current Kronos Travel and Expense Policies (such policies are available upon request) or such other policies mutually agreed between the parties in the statement of work. Customer further agrees to pay any travel expenses such as airfare, lodging, meals and local transportation, incurred by Kronos in the performance of its obligations under this Agreement provided such expenses comply with the applicable policies. Customer will be billed by Kronos for such travel expenses and payment thereof shall be due net 30.

7. GENERAL

(a) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.
(b) Customer shall not assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.
(c) Neither Party shall be responsible for any failure to perform or delay in performing any of its obligations under this Agreement (other than a

failure to comply with payment obligations) where and to the extent that such failure or delay results from an unforeseeable event beyond a party's reasonable control, including but not limited to, acts of war; acts of nature; earthquake; flood; embargo; riot; sabotage; labor shortage or dispute; changes in government codes, ordinances, laws, rules, regulations or restrictions; failure of the Internet; terrorist acts; failure of data, products or services controlled by any third party, including the providers of communications or network services; utility power failure; material shortages or unavailability or other delay in delivery not resulting from the responsible party's failure to timely place orders therefor, or lack of or delay in transportation (each a "Force Majeure Event").

(d) All notices given under this Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to Customer, to the billing address on the Order Form.

(e) The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.

(f) The parties agree that the Order signed by both parties and expressly reference this Agreement, which is delivered via fax or electronically delivered via email it shall constitute a valid and enforceable agreement.

(g) This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the applicable Order Form, constitute the entire agreement between the parties for the products and services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, Customer is not entitled to any products or product enhancements other than those contained on the Order Form. Customer has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, nor any other future product in executing this Agreement.

(h) Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos Incorporated, 297 Billerica Road, Chelmsford, MA.

(i) The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html.

(j) Kronos agrees to comply with any applicable federal, state and local laws and regulations.

(k) Additionally, Kronos agrees to be liable for tangible property damage or personal injury to the extent caused by the negligence or willful misconduct of its employees.

SECTION B
TERMS AND CONDITIONS FOR SOFTWARE LICENSES, SOFTWARE AND EQUIPMENT SUPPORT SERVICES, AND EDUCATIONAL AND PROFESSIONAL SERVICES

This Section B applies to Software licensed, Equipment purchased, support services for Software and Equipment, and educational and professional services, when such items are identified on the Order which expressly references this Agreement.

1. PAYMENT AND DELIVERY
Unless otherwise set forth in this Agreement, payment terms are indicated on the Order Form or other contemporaneous ordering document containing product-specific payment terms signed by the parties. Delivery terms are as stated on the Order Form ("Delivery"). Kronos will invoice Customer for products upon Delivery. Unless otherwise set forth on the Order Form, Professional and Educational Services are provided on a time and materials basis, invoiced monthly as rendered.

2. GENERAL LICENSE TERMS
Kronos owns or has the right to license the Software. The Software and Software documentation are confidential and may not be disclosed to a third party without Kronos' written consent. The Software contains proprietary trade secret technology. Unauthorized use and copying of such Software is prohibited by law, including United States and foreign copyright law. The price Customer pays for a copy of the Software constitutes a license fee that entitles Customer to use the Software as set forth below. Kronos grants to Customer a non-exclusive, nontransferable, perpetual (except as provided herein) license to use the Software. This license may be terminated by Kronos by written notice to Customer upon any material breach of this Agreement by Customer which remains uncured for a period of thirty (30) days after such written notice from Kronos. Upon such termination of this license by Kronos, Customer will have no further right to use the Software and will return the Software media to Kronos and destroy all copies of the Software (and related documentation) in Customer's possession or control. This license is subject to all of the terms of this Section B.

3. FEE BASED LIMITATIONS
Customer recognizes and agrees that the license to use the Software is limited, based upon the amount of the license fee paid by Customer. Limitations, which are set forth on the Order Form, may include the number of employees, simultaneous or active users, Software product modules, Software features, computer model and serial number and partition, and/or the number of telephone lines or terminals to which the Software is permitted to be connected. Customer agrees to: i) use the Software only for the number of employees, simultaneous or active users, computer model, partition and serial number, and/or terminals permitted by the applicable license fee; ii) use only the product modules and/or features permitted by the applicable license fees; and iii) use the Software only in support of Customer's own business. Customer agrees not to increase the number of employees, simultaneous or active users, partitions, terminals, products modules, features, or to upgrade the model, as applicable, unless and until Customer pays the applicable fee for such increase/upgrade. Customer may not relicense or sublicense the Software to, or otherwise permit use of the Software (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Software without the express prior written consent of Kronos.

4. OBJECT CODE ONLY
Customer may use the computer programs included in the Software (the "Programs") in object code form only, and shall not reverse compile, disassemble or otherwise convert the Programs into uncompiled or unassembled code. The Programs include components owned by third parties. Such third party components are deemed to be Software subject to this Section B. Customer shall not use any of the Programs (or the data models therein) except solely as part of and in connection with the Software and as described in the published documentation for such Software.

5. PERMITTED COPIES
Customer may copy the Programs as reasonably necessary to load and execute the Programs and for backup and disaster recovery and testing purposes only, except for additional copies of the Teletime Software and the Kronos iSeries (which must be licensed separately). All copies of the Programs or any part thereof, whether in printed or machine readable form and whether on storage media or otherwise, are subject to all the terms of this license, and all copies of the Programs or any part of the Programs shall include the copyright and proprietary rights notices contained in the Programs as delivered to the Customer.

6. UPDATES
In the event that Kronos supplies Service Packs, Point Releases and Major Releases (including legislative updates if available) of the Software (collectively referred to as "Updates"), such Updates shall be part of the Software and the provisions of this license shall apply to such Updates and to the Software as modified thereby.

7. ACCEPTANCE
For Customer's initial purchase of each Equipment and Software product Kronos shall provide an acceptance test period (the "Test Period") that commences upon installation. Installation shall be defined as: a.) the Equipment, if any, is mounted; b.) the Software is installed on Customer's server(s); and c.) implementation team training, if any, is complete. During the Test Period, Customer shall determine whether the Equipment and Software meet the Kronos published electronic documentation, ("Specifications").
The Test Period shall be for 30 days. If Customer has not given Kronos a written deficiency statement specifying how the Equipment or Software fails to meet the Specifications ("Deficiency Statement") within the Test Period, the Equipment and Software shall be deemed accepted. If Customer provides a Deficiency Statement within the Test Period, Kronos shall have 30 days to correct the deficiency, and Customer shall have an additional 30 days to evaluate the Equipment and Software. If the Equipment or Software does not meet the Specifications at the end of the second 30 day period, either Customer or Kronos may terminate this Agreement. Upon any such termination, Customer shall return all Equipment and Software (and related documentation) to Kronos, and Kronos shall refund any monies paid by Customer to Kronos for the returned Equipment and Software. Neither party shall then have any further liability to the other for the products that were the subject of the Acceptance Test.

8. LIMITED WARRANTY
Kronos warrants that all Kronos Equipment and Software media shall be free from defects in materials and workmanship, for a period of ninety (90) days from Delivery. In the event of a breach of this warranty, Customer's remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software media, at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the Specifications. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) or Software media in the event of:

(a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
(b) failure of Customer to provide and maintain a suitable installation environment, as specified in the Specifications; or
(c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

When using and applying the information generated by Kronos products, Customer is responsible for ensuring that Customer complies with requirements of federal and state law where applicable. If Customer is licensing Workforce Payroll Software or Workforce Absence Management Software: (i) Customer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using such Software, (ii) using such Software does not release Customer of any professional obligation concerning the preparation and review of such reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or such Software for any advice or guidance regarding compliance with federal (and state laws where applicable) or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using such Software and satisfy itself that those calculations are correct.

9. PROFFESSIONAL AND EDUCATIONAL SERVICES

(a) ENGAGEMENTS

Unless otherwise indicated on the Order, Professional and Educational Services ("Professional Services") shall be provided on a time and material basis and described in a statement of work. If a dollar limit is stated in the Order Form or any associated statement of work ("SOW"), the limit shall be deemed an estimate for Customer's budgeting and Kronos' resource scheduling purposes. After the dollar limit is expended, Kronos will continue to provide Professional Services on a time and materials basis, if a Change Order or Schedule of Services for continuation of the Professional Services is signed by the parties.

(b) WARRANTY

Kronos warrants that all professional and educational services performed under this Agreement shall be performed in a professional and competent manner. In the event that Kronos breaches this warranty, and Customer so notifies Kronos within 30 days of receipt of invoice for the applicable services, the Customer's remedy and Kronos' liability shall be to re-perform the services which were deficient in a manner so as to conform to the foregoing warranty, at no additional cost to Customer.

(c) KRONOS PROFESSIONAL/EDUCATIONAL SERVICES POLICIES

Kronos' then-current Professional/Educational Services Policies shall apply to all Professional and/or Educational Services purchased under the applicable SOW and may be accessed at: http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

10. SOFTWARE SUPPORT SERVICES

The following terms and conditions shall govern the Software support services provided by Kronos to Customer.

10.1 SUPPORT OPTIONS

Customer may select from the following Software support purchase options: Gold (or Gold Plus) and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (defined below). Customer must purchase the same Service Type for all of the Software specified on the Order Form, (however, if Customer is purchasing support services for Visionware Software, Customer may only purchase Gold Service Type for the Visionware Software). All Updates shall be provided via remote access.

10.2 TERM OF SOFTWARE SUPPORT

Unless otherwise indicated on the Order Form, support service shall commence on the Software Delivery date and shall continue for an initial term of one (1) year. Support service may be renewed for additional one (1) year terms on the anniversary date of its commencement date by mutual written agreement of the parties or by Kronos sending Customer an invoice for the applicable renewal term and Customer paying such invoice prior the commencement of such renewal term. After the one year initial term of this Agreement, the Service Offerings provided and the Service Coverage period are subject to change by Kronos with sixty (60) days advance written notice to Customer. For the initial two (2) renewal years the annual support fee, for the same products and service type, will not increase by more than 4% over the prior year's annual support fee.

10.3 GOLD SERVICE OFFERINGS

Customer shall be entitled to receive:

(i) Updates for the Software (not including any Software for which Kronos charges a separate license fee), provided that Customer's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos. If Customer requests Kronos to install such Updates or to provide retraining, Customer agrees to pay Kronos for such installation or retraining at Kronos' pricing set forth in this Agreement.

(ii) Telephone and/or electronic access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period. The Service Coverage Period for the Gold Service Offering is 8:00 a.m. to 8:00 p.m., local time, Monday through Friday, excluding Kronos holidays.

(iii) Web-based support including access to Software documentation, FAQ's, access to Kronos knowledge base, Customer forums, and e-case management. Such offerings are subject to modification by Kronos. Current offerings can be found at http://www.kronos.com/services/support-services.aspx .

(iv) Web-based remote diagnostic technical assistance which may be utilized by Kronos to resolve Software functional problems and user problems during the Service Coverage Period.

(v) Access to specialized content as and when made available by Kronos such as technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies.

10.4 PLATINUM AND PLUS SERVICE OFFERINGS:
Platinum: In addition to the Service Offerings specified for the Gold Service Offering above, the Service Coverage Period for the Platinum Service Offering is 24 hours a day, seven days a week, 365 days a year.

Plus option: in addition to the Service Offerings specified for the Gold Service Offering above, Customers purchasing the Plus option shall receive the services of a dedicated, but not exclusive, Kronos Technical Account Manager ("TAM") for one production instance of the Software. Customers purchasing the Gold-Plus option shall designate up to one primary and one secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM, while Customers purchasing the Platinum-Plus option shall designate up to two primary and three secondary backup Technical Contacts. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos product training for the Software covered under this Section B at Customer's expense.

Customers purchasing the Platinum-Plus option shall also receive a one day per year visit to be performed at the Customer location where the Software is installed. During this onsite visit, Kronos shall work with Customer to identify ways to help Customer increase functionality or maximize utilization of the Software in Customer's specific environment. Customer must be utilizing the then-current version of the Software.

10.5 PAYMENT
Customer shall pay annual support charges for the initial term in accordance with the payment terms on the Order Form and for any renewal term upon receipt of invoice. Customer shall pay additional support charges, if any, and time and material charges upon receipt of invoice

10.6 ADDITION OF SOFTWARE
Additional Software purchased by Customer as per the ordering procedure set out in the agreement during the initial or any renewal term shall be added to the Support Services at the same support option as the then current Software support coverage in place under these terms. Customer agrees to pay the charges for such addition as per the Order.

10.7 RESPONSIBILITIES OF CUSTOMER
Customer agrees (i) to provide Kronos personnel with full, free and safe access to Software for purposes of support, including use of Kronos' standard remote access technology, if required; (ii) to maintain and operate the Software in an environment and according to procedures which conform to the Specifications; and (iii) not to allow support of the Software by anyone other than Kronos without prior written authorization from Kronos. Failure to utilize Kronos' remote access technology may delay Kronos' response and/or resolution to Customer's reported Software problem. If Customer requires the use of a specific remote access technology not specified by Kronos, then Customer must purchase the Plus option to receive support and provide Kronos personnel with full, free and safe access to the remote access hardware and/or software.

10.8 DEFAULT
Customer shall have the right to terminate Kronos support services in the event that Kronos is in breach of the support services warranty set forth below and such breach is not cured within fifteen (15) days after written notice specifying the nature of the breach. In the event of such termination, Kronos shall refund to Customer on a pro-rata basis those pre-paid annual support fees associated with the unused portion of the support term. Kronos reserves the right to terminate or suspend support service in the event the Customer is in default under this Agreement with Kronos and such default is not corrected within fifteen (15) days after written notice. In addition, the support services will terminate and all charges due hereunder will become immediately due and payable in the event that Customer ceases to do business as a going concern or has its assets assigned by law.

10.9 WARRANTY
Kronos warrants that all support services shall be performed in a professional and competent manner.

11. EQUIPMENT SUPPORT SERVICES
The following terms and conditions shall govern the equipment support services provided by Kronos to Customer.
Kronos and Customer hereby agree that Kronos shall provide depot equipment repair support services ("Depot Support Services") for Customer's Kronos Equipment ("Product(s)") specified on an Order Form to and from locations within the United States and Puerto Rico pursuant to the following terms and conditions:

11.1 TERM
Equipment Support Services for the Product(s) have a term of one (1) year commencing upon the expiration of the applicable warranty period, as specified in this Section B . Equipment Support Services can be extended for additional one year terms on the anniversary of its commencement date ("Renewal Date") by mutual written agreement of the parties or by Kronos sending Customer an invoice for the applicable renewal term and Customer paying such invoice prior the commencement of such renewal term. For the initial two (2) renewal years the annual support fee, for the same products and service type, will not increase by more than 4% over the prior year's annual support fee to the extent consistent with the pricing set forth under the Agreement.

11.2 PAYMENT
Customer agrees to pay the Support Charges for the initial term as set forth on the Order Form for each Product listed. Customer agrees that all Products of the same type that are owned by the Customer, including without limitation Customer's "Spare Products" (as defined below), will be subject to this Agreement. Customer agrees that if Customer purchases, during the term of this Agreement, any Products of the same type as those specified on an Order Form, such additional Products shall be subject to this Agreement. Customer agrees to pay a prorated fee for such additional Products and agrees to pay the full annual fee for such additional Products, upon the renewal date.
Kronos will invoice Customer for the annual Support Charges each year in advance of the Renewal Date. Customer will pay Kronos within thirty (30) days of receipt of invoice.

11.3 DEPOT SUPPORT SERVICE DESCRIPTION
Upon the failure of Installed Equipment, Customer shall notify Kronos of such failure and Kronos will provide remote fault isolation at the FRU (Field Replacement Unit) or subassembly level and attempt to resolve the problem. Those failures determined by Kronos to be Equipment related shall be dispatched to a Kronos Depot Repair Center, and Customer will be provided with a Return Material Authorization Number (RMA) for the failed Equipment if Customer is to return the failed Equipment to Kronos, as reasonably determined by Kronos. Customer must return the failed Equipment with the supplied RMA number. Hours of operation, locations and other information related to Kronos' Depot Repair Centers are available upon request and can be found athttps://customer.kronos.com/contact/contact-phone.aspx and are subject to change. Return and repair

procedures for failed Equipment shall be provided based on the Depot option - Depot Exchange or Depot Repair - selected by Customer on the applicable Order Form and as specified herein and in Kronos' then-current Support Services Policies. Service packs for the Equipment (as described in subsection (b) below) are included in both Depot Exchange and Depot Repair Support Services.

(i) *Depot Exchange*: Kronos will provide a replacement for the failed Equipment at the FRU or subassembly level on an "advanced exchange" basis, utilizing a carrier of Kronos' choice. Replacement Equipment will be shipped the same day, for delivery to Customer's location as further described in the Support Policies. REPLACEMENT EQUIPMENT MAY BE NEW OR RECONDITIONED. Customer shall specify the address to which the Equipment is to be shipped. All shipments will include the Kronos provided RMA designating the applicable Kronos Depot Repair Center, as the recipient. Customer, upon receipt of the replacement Equipment from Kronos, shall package the defective Equipment in the materials provided by Kronos, with the RMA supplied and promptly return failed Equipment directly to Kronos.

(ii) *Depot Repair*: Upon failure of installed Equipment, Customer shall install a Spare Product to replace the failed Equipment. Customer shall then return the failed Equipment, with the required RMA, to the applicable Kronos Depot Repair Center. Customer shall make reasonable efforts to return the failed Equipment using the same or substantially similar packing materials in which the original Equipment was sent. Customer shall also specify the address to which the repaired Equipment should be return shipped. Upon receipt of the failed Equipment, Kronos shall repair the failed Equipment and ship it, within ten (10) business days after receipt, to Customer. Kronos shall ship the repaired Equipment by regular surface transportation to Customer.
Kronos warrants that all repairs performed under the Agreement shall be performed in a professional and competent manner. In the event of a breach of this warranty, the exclusive remedy of Customer and sole liability of Kronos shall be replacement of the repaired Equipment.

11.4 EQUIPMENT SERVICE PACK SUPPORT SERVICE DESCRIPTION
If Customer purchase the Equipment service packs support, Kronos manufactured terminals specified on an Order, Customer shall be entitled to receive:

(i) Service packs for the Equipment (which may contain system software updates, firmware updates, security updates, and feature enhancements) available for download at Kronos' customer portal; and

(ii) Access to the Kronos Support Services Center for the logging of requests for assistance downloading service packs for the Equipment.

Service packs for the Equipment are not installed by the Kronos Depot Repair Center but are available for download at Kronos' customer portal, provided Customer is maintaining the Equipment under an annual Equipment Support Services plan with Kronos.
Kronos warrants that all service packs and firmware updates provided under this Agreement shall materially perform in accordance with the Kronos published specifications for a period of ninety (90) days after download by Customer. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient service pack(s) or firmware update(s), at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the specifications.

11.5 RESPONSIBILITIES OF CUSTOMER
Customer agrees that it shall return failed Products promptly as the failures occur and that it shall not hold failed Products and send failed Product to Kronos in "batches" which shall result in a longer turnaround time and surcharge to Customer. In addition, Customer agrees to:

(a) Maintain the Products in an environment conforming to Kronos' published specifications for such Products;
(b) De-install all failed Products and install all replacement Products in accordance with Kronos' published installation guidelines;
(c) Ensure that the Product(s) are returned to Kronos properly packaged; and
(d) Obtain an RMA before returning any Product to Kronos and place the RMA clearly and conspicuously on the outside of the shipping package. Customer may only return the specific Product authorized by Kronos when issuing the RMA.

11.6 SUPPORT EXCLUSIONS
Depot Support Service does not include the replacement of "consumables". In addition, Depot Support Service does not include the repair of damages, and Customer will not attempt to return damaged Product, resulting from:

(a) Any cause external to the Products including, but not limited to, electrical work, fire, flood, water, wind, lightning, transportation, or any act of God;
(b) Customer's failure to continually provide a suitable installation environment (as indicated in Kronos' published installation guidelines) including, but not limited to, adequate electrical power;
(c) Customer's improper use, relocation, packaging, refinishing, management or supervision of the Product(s) or other failure to use Products in accordance with Kronos' published specifications;
(d) Customer's use of the Products for purposes other than those for which they are designed or the use of accessories or supplies not approved by Kronos;
(e) Government imposed sanctions, rules, regulations or laws preventing the shipment of the Products; or
(f) Customer's repair, attempted repair or modification of the Products.

Professional services provided by Kronos in connection with the installation of any Software or firmware upgrades, if available, and if requested by Customer, are not covered by Depot Support Services. Firmware (including equipment service packs) which may be available to resolve a Product issue is not installed by the Kronos Depot Repair Center but is available for download at Kronos' customer web site provided Customer is maintaining the Product under an annual Depot Support Services plan with Kronos.

11.7 WARRANTY
(a) Depot Repair and Exchange warranty: Kronos warrants that all repairs performed under this Section B shall be performed in a professional and competent manner.

(b) Services Pack support Warranty: Kronos warrants that all service packs and firmware updates provided under this Section B shall materially perform in accordance with the Kronos published specifications for a period of ninety (90) days after download by Customer. In the event of a breach of this warranty, Customer's remedy shall be Kronos' repair or replacement of the deficient service pack(s) or firmware update(s), at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the specifications.

11.8 LIMITATION OF REMEDIES
To the extent permitted by law, the remedy of Customer and liability of Kronos shall be replacement of the repaired Product.

12. KRONOS SUPPORT SERVICE POLICIES
Kronos' then-current Support Services Policies shall apply to all Support Services purchased and may be accessed at: http://www.kronos.com/Support/SupportServicesPolicies.htm ("Support Policies"). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

13. FIRMWARE
Customer may not download firmware updates for the Kronos Equipment unless Customer is maintaining such Equipment under a support plan with Kronos. If Customer is not maintaining the Equipment under a support plan with Kronos, Kronos shall have the right to verify Customer's Kronos Equipment to determine if Customer has downloaded any firmware to which Customer is not entitled.

14. TRAINING POINTS
Training Points which are purchased by Customer may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Available instructor-led sessions are listed at http://customer.Kronos.com and each session has the Training Points value indicated. Training Points are invoiced when used by the Customer. Points may be redeemed at any time within 12 months of the date of the applicable Order Form, at which time they shall expire. Training Points may not be exchanged for other Kronos products and/or services.

15. KNOWLEDGEPASS EDUCATION SUBSCRIPTION:
The parties hereby agree that the following terms shall apply to Customer's purchase of the Kronos KnowledgePass Education Subscription only, if specified on the Order Form:

Scope: The KnowledgePass Education Subscription is available to customers who are licensing Kronos' Workforce Central and tSeries Timekeeper Software products and who are maintaining such products under a support plan with Kronos. The KnowledgePass Education Subscription provides access via the Internet to certain educational offerings provided by Kronos (the "KnowledgePass Content"), including:

- Product and upgrade information for project teams and end users
- Hands-on interactive instruction on common tasks
- Self-paced tutorials covering a range of topics
- Job aids
- Knowledge assessment and reporting tools to measure progress
- Webinars

Term of Subscription: The annual KnowledgePass Education Subscription shall run co-terminously with Customer's Software Support, and shall renew for additional one (1) year terms provided Customer renews its KnowledgePass Education Subscription as provided below.

Payment: Customer shall pay the annual subscription charge for the initial term of the KnowledgePass Education Subscription in accordance with the payment terms on the Order Form. Kronos will send Customer a renewal invoice for renewal of the KnowledgePass Education Subscription at least forty five (45) days prior to expiration of the then current term. KnowledgePass Education Subscription shall renew for an additional one (1) year term if Customer pays such invoice before the end of the initial term or any renewal term.

The KnowledgePass Subscription is available when the Customer subscribe on annual basis.

Limitations: Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in *pdf form solely for Customer's internal use and may not disclose such KnowledgePass Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of Training Kits solely for Customer's internal use.

Train-the-Trainer Program (TTT): Certification under the Train-the-Trainer Program is valid only for the point release of the Software for which the TTT Program is taken, and covers only the Customer employee who completes the TTT Program.

16. INDEMNIFICATION
Kronos agrees to indemnify Customer and to hold it harmless from and against any and all claims, costs, fees and expenses (including reasonable legal fees) relating to actual or alleged infringement of United States or Canadian patents or copyrights asserted against Customer by virtue of Customer's use of the Software as delivered and maintained by Kronos, provided that: i) Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim; and, ii) Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and any further assistance as reasonably requested by Kronos. Kronos will have no obligation to indemnify Customer to the extent any such claim is based on the use of the Software with software or equipment not supplied by Kronos. Should any or all of the Software as delivered and maintained by Kronos become, or in Kronos' reasonable opinion be likely to become, the subject of any such claim, Kronos may at its option: i) procure for Customer the right to continue to use the affected Software as contemplated hereunder; ii) replace or modify the affected Software to make its use non-infringing; or iii) should such options not be available at reasonable expense, terminate this Agreement with respect to the affected Software upon thirty (30) days prior written notice to Customer. In such event of termination, Customer shall be entitled to a pro-rata refund of all fees paid to Kronos for the affected Software, which refund shall be calculated using a five year straight-line depreciation commencing with the date of the relevant Order. Additionally, Kronos agrees to be liable for tangible property damage or personal injury to the extent caused by the negligence or willful misconduct of its employees.

17. LIMITATION OF LIABILITY
CUSTOMER'S EXCLUSIVE REMEDIES AND KRONOS' SOLE LIABILITY FOR ANY KRONOS BREACH OF THIS AGREEMENT ARE EXPRESSLY STATED HEREIN. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

EXCEPT FOR I) KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE 16 ABOVE; (II) CUSTOMER'S CLAIMS FOR TANGIBLE PROPERTY DAMAGE OR PERSONAL INJURY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE OTHER PARTY'S EMPLOYEES, IN NO EVENT SHALL KRONOS' OR ITS PARENTS', SUBSIDIARIES', AFFILIATES', OR THIRD PARTY LICENSOR'S LIABILITY TO A CUSTOMER, HOWSOEVER CAUSED, EXCEED THE VALUE OF THE ORDER WHICH GIVES RISE TO

THE CLAIM, AND IN NO EVENT WILL KRONOS OR ITS PARENTS, SUBSIDIARIES AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR LOST PROFITS, LOST DATA OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR CUSTOMER'S SPECIFIC USE OF, OR INABILITY TO SO USE, ANY EQUIPMENT, SOFTWARE OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

18. TERMINATION OF ORDER FORM OR SOW

(a) Termination for breach. For any breach of this Agreement by Kronos in relation with that Customer which cannot be cured by repair, replacement or re-performance, Customer shall have the right to terminate this the Order Form or applicable SOW upon thirty (30) days prior written notice to Kronos, provided Kronos has not cured such breach during such thirty (30) day period. Upon such termination, Customer shall be entitled to pursue its remedies at law or in equity subject to the terms of this Agreement.

(b) Termination for non-appropriation of funds. Should the funding for the services ordered by Customer be discontinued, Customer shall have the right to terminate the Order Form relating to such services ordered upon a 30 days written advance notice to Kronos. In such event, the Customer agrees to pay for the products delivered and the services performed under the terms of the Agreement prior to the receipt by Kronos of the termination notice.

SECTION C
CLOUD APPLICATION HOSTING
SUPPLEMENTAL TERMS AND CONDITIONS

There terms and conditions apply to the cloud services which are identified in the Pricing as the Cloud 2 in the Pricelist Name.

These Application Hosting Supplemental Terms and Conditions are applicable for hosting services ordered by Customer for Kronos Software licensed under Section B of this Agreement.

1. DEFINITIONS

"Application(s)" means those Kronos software applications set forth in the Cloud Hosting SSS which are made accessible for Customer to use under the terms of this Addendum.

"Application Hosting Program" or "Program" means (i) accessibility to the Applications, by means of access to the password protected customer area of the Kronos hosting environment, and (ii) all Hosting Related Services.

"Content" means all content Customer, or others acting on behalf of or through Customer, posts or otherwise inputs into the Program, including but not limited to information, data (such as payroll data, vacation time, and hours worked), designs, know-how, logos, text, multimedia images (e.g. graphics, audio and video files), compilations, software programs, third party software, applications, or other materials, or any other Customer content shared or processed on equipment under the control of Kronos.

"Hosting Related Services" means certain services set forth in a Services Scope Statement (SSS) containing hosted related services (the **"Cloud Hosting SSS"**), such as hosting infrastructure, equipment, bandwidth, server monitoring, backup services, reporting services, storage area network (SAN) services, load balancing services, security services, system administration, connectivity services, performance tuning, service pack installation and all professional and/or Cloud Services and maintenance services related to hosting.

"Initial Term" means the initial term of the Program as set forth in the applicable Cloud Hosting SSS.

"Internal Use" means the use of the Program: (i) by Customer's personnel solely for Customer's internal business purposes and (ii) by any authorized employee, agent or contractor of Customer to process information relating to Customer's employees assigned to, or potential employees of, Customer's authorized business unit(s), solely for the internal business purposes of such business unit(s).

"Monthly Service Fee(s)" means the monthly fees described in the Cloud Hosting SSS and set forth on the applicable Order Form..

"Order Form" means the order request form supplied by Kronos and signed by the Parties that lists the fees for the elements of Customer's particular Program.

"Personally Identifiable Data" means information concerning individually identifiable employees of Customer that is protected against disclosure under applicable law or regulation.

"Production Environment" means a permanent environment established for the daily use and maintenance of the Applications in a live environment throughout the term of a Program.

"Service Description" means the detailed service description (including any supplementary service terms) specified in the Cloud Hosting SSS which sets forth the specific Program to be provided to the Customer.

"SLA(s)" means a service level agreement offered by Kronos for the Production Environment and attached to this Section C as **Exhibit A** which contains key service level standards and commitments that apply to the Program as detailed in the Service Description.

"SLA Credit" means the credit calculated in accordance with the SLA and offered by Kronos in the event of outages, interruptions or deficiencies in the delivery of the Program that result in a failure to meet the terms of the applicable SLA.

"Supplier" means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Program.

"Temporary Environment" means a transient database environment created to serve limited purposes for a limited time period, and identified in the applicable Cloud Hosting SSS as a Temporary Environment.

2. CLOUD HOSTING SERVICES SCOPE STATEMENT

The description of the particular Program ordered by the Customer, the Program term, the Monthly Service Fee rates, and other fees, if any, applicable to the Program are described in the applicable Cloud Hosting SSS and Order Form. Kronos will not change the Monthly Service Fee rates it charges for Customer's existing Program, or the SLA, during the Initial Term. Kronos may change such Monthly Service Fee rates or the associated SLA for a renewal term of the particular Program by notifying Customer at least sixty (60) days prior to the expiration of the then current term. SLAs are only available in a Production Environment. Unless the Cloud Hosting SSS indicates that the Program is to be implemented in a Temporary Environment, the Program will be deemed to be implemented in a Production Environment.

3. AUTHORIZED USE

Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Program, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Section C.

4. MAINTENANCE ACCESS

If Kronos, its Suppliers, or the local access provider, as applicable, requires access to Customer sites in order to maintain or repair the Program, Customer shall cooperate in a timely manner and reasonably provide such access and assistance as necessary. As part of Kronos' support services, Kronos will make updates to the Applications available to Customer at no charge as they are released generally to Kronos' customers. Customer agrees to receive those updates automatically as part of the Program. Customer may be required to purchase additional Hosting Related Services to address infrastructure requirements as released by Kronos for a new version of a particular Application.

5. CUSTOMER REPRESENTATIONS AND WARRANTIES; CUSTOMER OBLIGATIONS

5.1 Customer represents and warrants to Kronos that it has the right to publish and disclose Customer's Content in the Program.

5.2 Customer represents and warrants to Kronos that Customer's Content will not: (a) infringe or violate any third-party right, including (but not limited to) intellectual property, privacy, or publicity rights; (b) be abusive, profane, or offensive to a reasonable person; or (c) be hateful or threatening.

5.3 Customer will, at its own cost and expense, provide all end user equipment, operating systems, and software (including a web browser) not provided by Kronos and needed to access and use the Program. Customer will also provide, at its own cost and expense, all connections from its computer systems to the Program, which shall include all related costs associated with Customer accessing the Program, unless such connectivity services are purchased from Kronos as indicated on the Cloud Hosting SSS and Order Form.

5.4 Customer shall not, and shall not permit any person or entity under Customer's direct or indirect control to: (a) recirculate, republish, distribute or otherwise provide access to the Program to any third party; (b) use the Program on a service bureau, time sharing or any similar basis, or for the benefit of any other person or entity; (c) alter, enhance or make derivative works of the Program; (d) reverse engineer, reverse assemble or decompile, or otherwise attempt to derive source code from, the Program or any software components of the Program; (e) use, or allow the use of, the Program in contravention of any applicable law, or rules or regulations of regulatory or administrative organizations; (f) introduce into the Program any virus or other code or routine intended to disrupt or damage the Program, alter, damage, delete, retrieve or record information about the Program or its users; or, (g) otherwise act in a fraudulent, malicious or negligent manner when using the Program.

6. CONNECTIVITY AND ACCESS

6.1 Customer acknowledges that Customer shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, third party services and related equipment and components); and (b) provide Kronos and Kronos' representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under the Agreement. Customer will make all necessary arrangements as may be required to provide access to Customer's computer and network environment if necessary for Kronos to perform its obligations under the Agreement. Customer agrees that Kronos may audit Customer's use of the Services.

7. FEES AND PAYMENT TERMS

7.1 In consideration of the delivery of the Program, Customer shall pay Kronos the Monthly Services Fee as defined in the applicable Order Form. The Monthly Services Fee shall begin to accrue on the date the Order Form and SSS are signed by the parties, and shall be invoiced annually in advance.

7.2 All fees payable hereunder shall be paid in United States Dollars and sent to the attention of Kronos as specified on the invoice. Payment terms shall be net 30 days following receipt of invoice.

7.3 SLA Credits, if any, which are due and owing to a Customer under an SLA for a particular month of the Program shall be paid by Kronos in the month following the month in which the SLA Credits were earned.

8. SERVICE LEVEL AGREEMENT

CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF ANY SERVICE OUTAGE, INTERRUPTION OR DEFICIENCY OF SERVICE(S) OR FAILURE BY KRONOS TO MEET THE TERMS OF AN APPLICABLE SLA, SHALL BE THE REMEDIES PROVIDED IN THE SLA; PROVIDED THAT ANY REMEDIES OR CREDITS CONTAINED IN THE SLA ARE NOT AVAILABLE FOR OUTAGES, INTERRUPTIONS OR DEFICIENCIES OCCURRING DURING ANY PERIOD IN WHICH CUSTOMER IS IN BREACH OF THIS ADDENDUM OR THE LICENSE AGREEMENT. KRONOS DISCLAIMS ANY AND ALL OTHER LIABILITIES OR REMEDIES FOR SUCH OUTAGES, INTERRUPTIONS OR DEFICIENCIES OF SERVICES.

9. LIMITATION OF LIABILITY

IN ADDITION TO THE LIMITATIONS SET FORTH IN THE LICENSE AGREEMENT, EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY AND SERVICE CREDITS, INCLUDING SUCH LIABILITY RELATED TO A BREACH OF SECURITY OR DISCLOSURE, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT OR SOFTWARE OR SYSTEMS, OR MACHINE ERROR.

10. DATA SECURITY

10.1 As part of the Program, Kronos shall provide those administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer data as described at: http://www.kronos.com/products/smb-solutions/workforce-central-saas/security-description.aspx Customer acknowledges that such safeguards endeavor to mitigate security incidents, but such incidents may not be mitigated entirely or rendered harmless. Customer should consider any particular Kronos supplied security-related safeguard as just one tool to be used as part of Customer's overall security strategy and not a guarantee of security. Both parties agree to comply with all applicable privacy or data protection statutes, rules, or regulations governing the respective activities of the parties under the Agreement.

10.2 As between Customer and Kronos, all Personally Identifiable Data is Customer's Confidential Information and will remain the property of Customer. Customer represents that to the best of Customer's knowledge such Personally Identifiable Data supplied to Kronos is accurate. Customer hereby consents to the use, processing or disclosure of Personally Identifiable Data by Kronos and Kronos' Suppliers wherever located only

for the purposes described herein and only to the extent such use or processing is necessary for Kronos to carry out Kronos' duties and responsibilities under this Agreement or as required by law.

10.3 Prior to initiation of the Program and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer's industry and which could be imposed on Kronos as a result of provision of the Program. Customer will ensure that: (a) the transfer to Kronos and storage of any Personally Identifiable Data by Kronos or Kronos' data center is permitted under applicable data protection laws and regulations; and (b) Customer will obtain consents from individuals for such transfer and storage to the extent required under applicable laws and regulations.

11. TERM AND TERMINATION

11.1 At the expiration of the Initial Term, the applicable Program shall automatically renew for successive one year periods unless either party provides notice of its intent not to renew at least sixty (60) days prior to the expiration of the then-current term. Kronos may suspend or terminate the Program upon notice in the event of any breach by Customer of this Section C if such breach is not cured within ten (10) days of the date of Kronos' written notice. No Program interruption shall be deemed to have occurred during, and no Program credits shall be owed for, any authorized suspension of the Program.

11.2 Customer may terminate the Program by written notice at any time during the term of the Addendum if Kronos materially breaches any provision of this Addendum, and such default is not cured within thirty (30) days after receipt of written notice from Customer. In the event of such termination by Customer, Customer shall pay Kronos within thirty (30) days all fees then due and owing for the Program prior to the date of termination.

11.3 Customer may terminate the Program for convenience on no less than ninety (90) days prior written notice to Kronos.

11.4 In the event of termination of the Program by Customer for convenience or by Kronos for cause during the Initial Term, Customer will pay to Kronos any out of pocket expenses incurred by Kronos in terminating the Program plus an early termination fee based on the following calculation: one (1) month of the then-current Monthly Services Fees for every twelve (12) month period (or portion thereof) remaining in the Initial Term. By way of example only, if Customer terminates the Program for convenience with fifteen (15) months remaining in the Initial Term, Customer will be responsible to pay Kronos two (2) months of the applicable Monthly Services Fees.

EXHIBIT A

SERVICE LEVEL AGREEMENT (SLA)

Service Level Agreement: The Services, in a production environment and as described in the Statement of Work (aka Services Scope Statement), are provided with the service levels described in this Exhibit A. SLAs are only applicable to production environments. SLAs will be available upon Customer's signature of Kronos' Go Live Acceptance Form for Customer's production environment.

99.75% Application Availability

Actual Application Availability % = (Monthly Minutes (MM) minus Total Minutes Not Available (TM)) multiplied by 100) and divided by Monthly Minutes (MM), but not including Excluded Events

Service Credit Calculation: An Outage will be deemed to commence when the Applications are unavailable to Customer in Customer's production environment hosted by Kronos and end when Kronos has restored availability of the Services. Failure to meet the 99.75% Application Availability SLA, other than for reasons due to an Excluded Event, will entitle Customer to a credit as follows:

Actual Application Availability % (as measured in a calendar month)	Service Credit to be applied to Customer's monthly invoice for the affected month
<99.75% to 98.75%	10%
<98.75% to 98.25%	15%
<98.25% to 97.75%	25%
<97.75 to 96.75%	35%
<96.75	50%

"Outage" means the accumulated time, measured in minutes, during which Customer is unable to access the Applications for reasons other than an Excluded Event.

"Excluded Event" means any event that results in an Outage and is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Kronos, including without limitation Customer Content, failures or malfunctions resulting from circuits provided by Customer, any inconsistencies or changes in Customer's source environment, including either intentional or accidental connections or disconnections to the environment; (c) Force Majeure events; (d) scheduled or emergency maintenance, alteration or implementation provided during the Maintenance Period defined below; (e) any suspension of the Services in accordance with the terms of the Agreement to which this Exhibit A is attached; (f) the unavailability of required Customer personnel, including as a result of failure to provide Kronos with accurate, current contact information; or (g) using an Application in a manner inconsistent with the product documentation for such Application.

"Maintenance Period" means scheduled maintenance periods established by Kronos to maintain and update the Services, when necessary. During these Maintenance Periods, the Services are available to Kronos to perform periodic maintenance services, which include vital software updates. Kronos will use its commercially reasonable efforts during the Maintenance Period to make the Services available to Customer; however, some changes will require downtime. Kronos will provide notice for planned downtime via an email notice to the primary Customer contact at least one day in advance of any known downtime so planning can be facilitated by Customer.

Currently scheduled Maintenance Periods for the Services are:

Monday through Friday	04:00 am – 06:00 am (U.S. eastern time)
Saturday and Sunday	12:00 am – 06:00 am (U.S. eastern time)

Maintenance Periods include those maintenance periods mutually agreed upon by Customer and Kronos.

"Monthly Minutes (MM)" means the total time, measured in minutes, of a calendar month commencing at 12:00 am of the first day of such calendar month and ending at 11:59 pm of the last day of such calendar month.

"Total Minutes Not Available (TM)" means the total number of minutes during the calendar month that the Services are unavailable as the result of an Outage.

Limitations: Service Credits will not be provided if: (a) Customer is in breach or default under the Agreement at the time the Outage occurred; or (b) the Outage results from an Excluded Event. If Kronos does not provide the appropriate Service Credit as due hereunder, Customer must request the Service Credit within sixty (60) calendar days of the conclusion of the month in which the Service Credit accrues. Customer waives any right to Service Credits not requested within this time period. All performance calculations and applicable Service Credits are based on Kronos records and data unless Customer can provide Kronos with clear and convincing evidence to the contrary.

The Service Level Agreements in this Exhibit, and the related Service Credits, apply on a per production environment basis. For the avoidance of doubt, Outages in one production environment may not be added to Outages in any other production environment for purposes of calculating Service Credits.

Customer acknowledges that Kronos manages its network traffic in part on the basis of Customer's utilization of the Services and that changes in such utilization may impact Kronos' ability to manage network traffic. Therefore, notwithstanding anything else to the contrary, if Customer significantly changes its utilization of the Services than what is contracted with Kronos and such change creates a material and adverse impact on the traffic balance of the Kronos network, as reasonably determined by Kronos, the parties agree to co-operate, in good faith, to resolve the issue.

SECTION C.1:
APPLICATION HOSTING TERMS AND CONDITIONS .

This Section applies only for transactions that involve Kronos hosting for Software licensed under Section B in relation with hosting pricing refered to as CLOUD
This attachment does not apply to CLOUD 2 items.

APPLICATION HOSTING SUPPLEMENTAL TERMS AND CONDITIONS

These Application Hosting Supplemental Terms and Conditions are applicable for hosting services ordered by Customer for Kronos Software licensed under Section B of this Agreement using the pricing set up on November 21, 2013.

1. DEFINITIONS

"Application Hosting Program" or "Program" means (i) accessibility to the commercially available object code version of the Kronos hosted applications, as set forth in the Cloud Services SOW, by means of access to the password protected customer area of the Kronos hosting environment, and (ii) all Hosting Related Services.

"Content" means all content Customer, or others acting on behalf of or through Customer, posts or otherwise inputs into the Program, including but not limited to information, data (such as payroll data, vacation time, and hours worked), designs, know-how, logos, text, multimedia images (e.g. graphics, audio and video files), compilations, software programs, third party software, applications, or other materials, or any other Customer content shared or processed on equipment under the control of Kronos or a Supplier.

"Hosting Related Services" means certain services set forth in a statement of work containing hosted related services (the **"Cloud Services SOW"**), such as hosting infrastructure, equipment, bandwidth, server monitoring, backup services, reporting services, storage area network (SAN) services, load balancing services, security services, system administration, connectivity services, performance tuning, service pack installation and all professional and/or Cloud Services and maintenance services related to hosting.

"Initial Term" means the initial term for which Kronos shall provide the Program to Customer and as set forth in the applicable Cloud Services SOW executed by Customer.

"Internal Use" means the use of the Program: (i) by Customer's personnel solely for Customer's internal business purposes and (ii) by any authorized employee, agent or contractor of Customer to process information relating to Customer's employees assigned to, or potential employees of, Customer's authorized business unit(s), solely for the internal business purposes of such business unit(s).

"Monthly Service Fee(s)" means the monthly fees described in the Cloud Services SOW and set forth on the applicable Order Form, which shall include all Hosting Related Services fees.

"Order Form" means the order request form supplied by Kronos and signed by the Parties that lists the Startup Fees and Monthly Service Fees for the elements of Customer's particular Program.

"Personally Identifiable Data" means information concerning individually identifiable employees of Customer that is protected against disclosure under applicable law or regulation.

"Production Environment" means a permanent environment established for the daily use and maintenance of the Application in a live environment throughout the term of a Program.

"Services Commencement Date" shall, except as otherwise provided in writing in a Cloud Services SOW or Order Form signed by the parties, mean the earlier of (a) the date the Software is transferred to the hosted environment, as mutually agreed by the parties in writing or (b) 90 days after the Effective Date. Notwithstanding the foregoing, the Services Commencement Date for software hosted in a Temporary Environment shall commence seven (7) days after the Effective Date.

"Service Description" means the detailed service description (including any supplementary service terms) specified in the Cloud Services SOW which sets forth the specific Program to be provided to the Customer.

"SLA(s)" means a service level agreement offered by Kronos for the Production Environment and attached to this Section C.1 as **Exhibit A.1** which contains key service maintenance standards and commitments that apply to the Program as detailed in the Service Description.

"SLA Credit" means the credit calculated in accordance with the SLA and offered by Kronos in the event of outages, interruptions or deficiencies in the delivery of the Program that result in a failure to meet the terms of the applicable SLA.

"Supplier" means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Program.

"Temporary Environment" means a transient database environment created to serve limited purposes for a limited time period, and identified in the applicable Cloud Services SOW as a Temporary Environment.

"Startup Fees" means the one time, customer-specific startup fee as indicated on the Order Form that will be charged to Customer to enable access to the Program.

2 CLOUD SERVICES STATEMENT OF WORK
The description of the particular Program ordered by the Customer, the Program term, the Monthly Service Fee rates, the Startup Fees and other fees, if any, applicable to the Program are described in the applicable Cloud Services SOW and Order Form. Kronos will not change the Monthly Service Fee rates it charges for Customer's existing Program, or the SLA, during the Initial Term. Kronos may change such Monthly Service Fee

rates or the associated SLA for a renewal term of the particular Program by notifying Customer at least sixty (60) days prior to the expiration of the then current term. SLAs are only available in a Production Environment. Unless the Cloud Services SOW indicates that the Program is to be implemented in a Temporary Environment, the Program will be deemed to be implemented in a Production Environment.

3. AUTHORIZED USE
Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Program, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this section C.1.

4. MAINTENANCE ACCESS
If Kronos, its Suppliers, or the local access provider, as applicable, requires access to Customer sites in order to maintain or repair the Program, Customer shall cooperate in a timely manner and reasonably provide such access and assistance as necessary.

Customer representations and warranties; Customer obligations

5.1 Customer represents and warrants to Kronos that it has the right to publish and disclose Customer's Content in the Program.

5.2 Customer represents and warrants to Kronos that Customer's Content will not: (a) infringe or violate any third-party right, including (but not limited to) intellectual property, privacy, or publicity rights; (b) be abusive, profane, or offensive to a reasonable person; or (c) be hateful or threatening.

5.3 Customer will, at its own cost and expense, provide all end user equipment, operating systems, and software (including a web browser) not provided by Kronos and needed to access and use the Program in accordance with the technical requirements set forth in the Cloud Services SOW. Customer will also provide, at its own cost and expense, all connections from its computer systems to the Program, which shall include all related costs associated with Customer accessing the Program, unless such connectivity services are purchased from Kronos as indicated on the Cloud Services SOW and Order Form.

5.4 Customer shall not, and shall not permit any person or entity under Customer's direct or indirect control to: (a) recirculate, republish, distribute or otherwise provide access to the Program to any third party; (b) use the Program on a service bureau, time sharing or any similar basis, or for the benefit of any other person or entity; (c) alter, enhance or make derivative works of the Program; (d) reverse engineer, reverse assemble or decompile, or otherwise attempt to derive source code from, the Program or any software components of the Program; (e) use, or allow the use of, the Program in contravention of any federal, state, local, foreign or other applicable law, or rules or regulations of regulatory or administrative organizations; (f) introduce into the Program any virus or other code or routine intended to disrupt or damage the Program, alter, damage, delete, retrieve or record information about the Program or its users; or, (g) otherwise act in a fraudulent, malicious or negligent manner when using the Program.

6. INTERNET ACCESS

6.1 If Customer uses open Internet connectivity or Customer-supplied VPN Internet connections to access the Program, Customer acknowledges that the performance and throughput of the Internet connection cannot be guaranteed by Kronos, and variable connection performance may result in application response variations.

6.2 Customer hereby acknowledges that the Internet is not owned, operated, managed by, or in any way affiliated with Kronos, its Suppliers or any of its affiliates, and that it is a separate network of computers independent of Kronos. Access to the Internet is dependent on numerous factors, technologies and systems, many of which are beyond Kronos' authority and control. Customer acknowledges that Kronos cannot guarantee that the Internet access services chosen by Customer will meet the level of up-time or the level of response time that Customer may need. Customer agrees that its use of the Internet access services and the Internet is solely at its own risk, except as specifically provided in this Section C.1, and is subject to all applicable local, state, national and international laws and regulations.

7. FEES AND PAYMENT TERMS

7.1 In consideration of the delivery of the Program, Customer shall pay Kronos the Monthly Services Fee as defined in the applicable Order Form. The Monthly Services Fee shall begin to accrue on the Services Commencement Date, and shall be invoiced monthly in advance. In addition, Customer shall be billed the Startup Fees and any additional Cloud Hosting startup fees set forth in the applicable Order Form. Customer acknowledges that the billing commencement date does not coincide with implementation completion, final configuration, or go-live.

7.2 All fees payable hereunder shall be paid in United States Dollars and sent to the attention of Kronos as specified on the invoice. Payment terms shall be net 30 days following receipt of invoice. All overdue payments shall bear interest at the lesser of one and one-half percent (1.5%) per month or the maximum rate allowed under applicable law. Customer is responsible for all federal, state or local taxes, duties and customs fees relating to the Program, excluding taxes based on Kronos' income or business privilege.

7.3 SLA Credits, if any, which are due and owing to a Customer under an SLA for a particular month of the Program shall be included in the Monthly Service Fee invoice issued by Kronos for the month following the month in which the SLA Credits were earned.

8. SERVICE LEVEL AGREEMENT
CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF ANY SERVICE OUTAGE, INTERRUPTION OR DEFICIENCY OF SERVICE(S) OR FAILURE BY KRONOS TO MEET THE TERMS OF AN APPLICABLE SLA, SHALL BE THE REMEDIES PROVIDED IN THE SLA; PROVIDED THAT ANY REMEDIES OR CREDITS CONTAINED IN THE SLA ARE NOT AVAILABLE FOR OUTAGES, INTERRUPTIONS OR DEFICIENCIES OCCURRING DURING ANY PERIOD IN WHICH CUSTOMER IS IN BREACH OF THIS SECTION C.1 OR SECTION B. KRONOS DISCLAIMS ANY AND ALL OTHER LIABILITIES OR REMEDIES FOR SUCH OUTAGES, INTERRUPTIONS OR DEFICIENCIES OF SERVICES.

9. LIMITATION OF LIABILITY
IN ADDITION TO THE LIMITATIONS SET FORTH IN THE LICENSE AGREEMENT, EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY AND SERVICE CREDITS, INCLUDING SUCH LIABILITY RELATED TO A BREACH OF SECURITY OR DISCLOSURE, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR

APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT OR SOFTWARE OR SYSTEMS, OR MACHINE ERROR.

10. DATA SECURITY

10.1 As part of the Program, Kronos shall provide those Kronos security-related services described in the Cloud Services SOW. Customer acknowledges that the security-related services endeavor to mitigate security incidents, but such incidents may not be mitigated entirely or rendered harmless. Customer should consider any particular security-related service as just one tool to be used as part of an overall security strategy and not a guarantee of security. Both parties agree to comply with all applicable privacy or data protection statutes, rules, or regulations governing the respective activities of the parties.

10.2 All Personally Identifiable Data contained in any Software, Equipment or systems supplied by Kronos, or to which Kronos has access to under this Section C.1, as between Kronos and Customer, is Customer's Confidential Information and will remain the property of Customer. Customer hereby consents to the use, processing and/or disclosure of Personally Identifiable Data only for the purposes described herein and to the extent such use or processing is necessary for Kronos to carry out its duties and responsibilities under this Section C.1 or as required by law.

10.3 Prior to initiation of the Program and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer and which could be imposed on Kronos as a result of provision of the Program. Customer will ensure that: (a) the transfer and storage of any Personally Identifiable Data to Kronos and managed by Kronos' or Supplier's data center is legitimate under applicable data protection laws and regulations; and (b) Customer will obtain consent from individuals for such transfer and storage to the extent required under applicable laws and regulations.

10.4 At no cost to Customer, Kronos shall upon (i) request by Customer at any time and (ii) the cessation of the Program, promptly return to Customer, in the format and on the media in use as of the date of the request, all Personally Identifiable Data.

11. TERM AND TERMINATION

11.1 At the expiration of the Initial Term, the applicable Programs shall automatically renew for successive one year periods unless either party provides notice of its intent not to renew at least sixty (60) days prior to the expiration of the then-current term. Kronos may suspend or terminate the Program upon notice in the event of any breach by Customer of this Section C.1. No Program interruption shall be deemed to have occurred during, and no Program credits shall be owed for, any authorized suspension of the Program.

11.2 Customer may terminate the Program by written notice at any time during the term of this Section if Kronos materially breaches any provision of this Section, and such default is not cured within thirty (30) days after receipt of written notice from Customer. In the event of such termination by Customer, Customer shall pay Kronos within thirty (30) days all fees then due and owing for the Program prior to the date of termination.

11.3 Customer may terminate the Program for convenience on no less than ninety (90) days prior written notice to Kronos.

11.4 In the event of termination of the Program by Customer for convenience or by Kronos for cause during the Initial Term, Customer will pay to Kronos any out of pocket expenses incurred by Kronos in terminating the Program plus an early termination fee based on the following calculation: one (1) month of the then-current Monthly Services Fees for every twelve (12) month period (or portion thereof) remaining in the Initial Term. By way of example only, if Customer terminates the Program for convenience with fifteen (15) months remaining in the Initial Term, Customer will be responsible to pay Kronos two (2) months of the then-current Monthly Services Fees.

EXHIBIT A.1
TO SECTION C.1
SERVICE LEVEL AGREEMENT (SLA)

Service Level Types: SLAs are only applicable to Production Environments. The Program, in a Production Environment, as described in the Service Description is provided with the following service level:

99.50% Application Availability

Service Levels/Credit Calculation: An Outage will be deemed to commence when Customer opens a case with Kronos Global Support, or Kronos Cloud Services receives an application availability alert. The Outage will be deemed to end when Kronos has restored availability of the Program. Failure to meet the above service levels will entitle Customer to credits as follows.

99.50% Application Availability SLA – Production Environment	
Uptime percentage (as measured in a calendar month)	**Affected Service Credit**
The amount of the Credit will be determined as follows:	
<99.50% to 98.75%	15%
<98.75% to 98.25%	20%
<98.25% to 97.75%	35%
<97.75 to 96.75%	50%
<96.75	75%

Application Availability SLA% = ((MM-TM)*100) / (MM)

Definitions

"Affected Service" means the monthly fees paid for the hosting of the Program.

"Excluded Event" means any event that adversely impacts the Program that is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Kronos or Supplier; (c) Force Majeure events; (d) scheduled or emergency maintenance, alteration or implementation; (e) any suspension of the Program in accordance with the terms of this Section or License Agreement; (f) the unavailability of required Customer personnel, including as a result of failure to provide Supplier with accurate, current contact information; (g) using the Application in a manner inconsistent with the product documentation; or (h) any other exclusionary circumstance specified in the applicable Cloud Services SOW.

"Monthly Minutes (MM)" means total minutes in which service was scheduled to be available.

"Outage" means the accumulated time during which Customer is unable to establish an active communications connection, measured from beginning to end, between Customer and the Program for reasons other than (a) failures caused by Customer Data; or (b) any Excluded Events.

"Scheduled Maintenance (SM)" means scheduled maintenance periods established by Kronos to provide ample time to maintain and update the applications, when necessary. During these maintenance periods, the applications are available to Kronos to perform periodic services, which include vital software updates. Systems will generally continue to be available to Customer; however, some changes will require planned downtime. Kronos will provide notice for planned downtime via an email notice to our primary Customer contact at least one day in advance of such shutdown/restart so planning can be facilitated by Customer.

When application maintenance is required, current Scheduled Maintenance periods for the applications are:

Monday through Friday	4am – 6am
Saturday and Sunday	12am - 6am

- All times listed are U.S. Eastern Time.
- Kronos' utilization of the above maintenance windows shall not trigger SLA Credits to Customer.

"Total Minutes Not Available" (TM) means the total number of minutes during the calendar month that the Program is unavailable outside of scheduled maintenance windows.

Limitations: Kronos will apply any credits to the Customer account. Credits will not be provided if: (a) Customer is in breach or default under this Section or the Program at the time the Outage occurred and such breach is the cause of the Outage; or (b) it results from an Excluded Event.

In no event will the credits accrued in any calendar month exceed, in the aggregate across all service levels and events, one hundred (100%) of the invoice amount for the Affected Service.

The Service Level Agreements in this Exhibit, and the related credits listed, apply on a per Program basis. For the avoidance of doubt, Outages, delays, failures, etc. in one Program may not be added to Outages, delays, failures, etc. in any other Program for purposes of calculating SLA credits.

SECTION D
KRONOS WORKFORCE CENTRAL - SOFTWARE AS A SERVICE (SAAS) TERMS AND CONDITIONS

Customer and Kronos agree that the terms and conditions set forth in this Section D shall apply to the Kronos supply of the commercially available version of the Workforce Central SaaS Applications and related services and materials (including applicable documentation) and Equipment (if any) specified on an Order Form. The Applications described on the Order Form shall be delivered by means of Customer's permitted access to the password protected customer area of a Kronos website.

1. DEFINITIONS

"Application(s)" or **"SaaS Application(s)"** means those Kronos software application programs set forth on an Order Form which are made accessible for Customer to use under the terms of this Section D. Multitenant Applications shall be subject to the terms and conditions of this Agreement and those set forth at: http://www.kronos.com/products/cloud/multi-tenant-description.aspx With respect to Multitenant Applications, the terms and conditions at the foregoing url will supersede any conflicting terms in this Agreement.

"Cloud Services" means those services related to Customer's cloud environment such as infrastructure, equipment, bandwidth, server monitoring, backup services, storage area network (SAN) services, security services, system administration, connectivity services, performance tuning, update installation and maintenance services related thereto. Unless otherwise set forth in a Statement of Work or in an Order Form, Cloud Services are described as set forth at: http://www.kronos.com/products/smb-solutions/workforce-central-saas/implementation-guidlines.aspx

"Customer Content" means all content Customer, or others acting on behalf of or through Customer, posts or otherwise inputs into the Services.

"Documentation" means technical publications published by Kronos relating to the use of the Services or Applications.

"Equipment" means the Kronos equipment specified on an Order Form.

"Implementation Services" means those professional and educational services provided by Kronos to set up the cloud environment and configure the Services, including educational services and training. Unless otherwise set forth in a Statement of Work or in an Order Form, Kronos will provide the fixed fee, fixed scope Implementation Services described in the Services Implementation Detail set forth at: www.kronos.com/products/workforce-central-saas/implementation-guidlines.aspx Implementation Services may be provided as forth in Section B.

"Initial Term" means the initial term of the Services as indicated on the Order Form.

"KnowledgePass Content"/"KnowledgePass Education Subscription" have the meanings ascribed in Section 7.5.

"Minimum Contract Value" means the total of all Monthly Service Fees to be invoiced during the Initial Term.

"Monthly Service Fee(s)" means the monthly fees described in an Order Form. Monthly Service Fees include fees for usage of Applications and the Services, Cloud Services as applicable, and Equipment rental, if any. Billing of the Monthly Service Fee(s) commences on the Start Date. Billing of the Monthly Service Fee(s) commences on the Start Date.

"Order Form" means an order form mutually agreed upon by Kronos and Customer setting forth the items ordered by Customer and to be provided by Kronos, including without limitation the Services and Applications and the prices and fees to be paid by Customer.

"Personally Identifiable Data" means information concerning individually identifiable employees of Customer that is protected against disclosure under applicable law or regulation.

"Services" means (i) accessibility to the commercially available version of the Applications by means of access to the password protected customer area of a Kronos website, (ii) the Equipment purchased or rented hereunder, (iii) the Implementation Services and Cloud Services, and (iv) such other services, items and offerings set forth on an Order Form.

"Start Date" means the date billing commences for the Services (excluding the Implementation Services) as indicated on the applicable Order Form. For any Services ordered by Customer after the date of this Section D which are incremental to Customer's then-existing Services, the Start Date shall be the date the applicable Order Form is executed by Kronos and Customer.

"Statement of Work", "SOW", "Services Scope Statement" and **"SSS"** are interchangeable terms referring to a written description of the Implementation Services as mutually agreed upon by Kronos and Customer. An SOW supersedes any implementation guidelines or descriptions on a web page referenced in this Section D.

"Supplier" means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Program.

"Term" means the Initial Term and any monthly renewals thereafter, as further set forth in Section 2.1.

"Training Points" has the meaning ascribed to it in Section 7.6 below.

2. TERM

2.1 The Services shall commence on the Start Date, and shall continue for the Initial Term or until terminated in accordance with the provisions hereof. At the expiration of the Initial Term, the Term shall automatically renew on a month-to-month basis until terminated in accordance with the provisions hereof.

2.2 At any time after the Initial Term: (i) Customer may terminate the Services for convenience upon thirty (30) days prior written notice, and (ii) Kronos may terminate the Services for convenience upon ninety (90) days prior written notice.

2.3 Either party may suspend or terminate the Services upon a material breach of this Section D by the other party if such breach is not cured

within fifteen (15) days after receipt of written notice. Notwithstanding the foregoing, Kronos may suspend or terminate the Services immediately upon notice in the event of any Customer breach of Sections 4 (Right to Use), 5 (Acceptable Use), or 15 (Confidential Information).

2.4 In the event that either party becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt or insolvent, commences a case under applicable bankruptcy laws, or files a petition seeking reorganization, the other party may request adequate assurances of future performance. Failure to provide adequate assurances, in the requesting party's reasonable discretion, within ten (10) days of delivery of the request shall entitle the requesting party to terminate the Services immediately upon written notice to the other party.

2.5 If the Services are terminated for any reason:
(a) Customer shall pay Kronos within thirty (30) days of such termination, all fees accrued for the Services prior to the date of termination, provided that if Customer terminates for material breach of this Section D by Kronos, Kronos shall be responsible to refund to Customer unused pre-paid implementation Service fees, if any;
(b) Customer's right to access and use the Services shall be revoked and be of no further force or effect;
(c) No more than fifteen (15) days after termination or upon Customer's written request at any time during the Term, Kronos will provide to Customer, at no charge to Customer, the Customer Content. After such time period, Kronos shall have no further obligation to store or make available the Customer Content and may delete any or all Customer Content without liability.
(d) Customer agrees to timely return all Kronos-provided materials related to the Services to Kronos at Customer's expense or, alternatively, destroy such materials and provide Kronos with an officer's certification of the destruction thereof; and
(e) all provisions in this Section D, which by their nature are intended to survive termination, shall so survive.

3. FEES AND PAYMENT

3.1 In consideration of the delivery of the Services, Customer shall pay Kronos the Monthly Service Fees, the fees for the Implementation Services and any additional one time or recurring fees for Equipment, Training Points, KnowledgePass Education Subscription and such other Kronos offerings, all as set forth on the Order Form. If Customer and Kronos have signed a Statement of Work for the Implementation Services, Implementation Services such services will be provided and payable in accordance with Section B. All fees payable for the Services shall be sent to the attention of Kronos as specified on the invoice. Unless otherwise indicated on an Order Form, payment for all items shall be due 30 days following date of invoice. Except as expressly set forth in this Section D, all amounts paid to Kronos are non-refundable. Customer acknowledges that fees may be charged to Customer by third parties for add-on features or functionality provided by such third parties. Customer may be required to purchase additional Cloud Services to address infrastructure requirements as released by Kronos for a new version of a particular Application.

3.2 If any amount owing under this or any other agreement for Services is thirty (30) or more days overdue, Kronos may, without limiting Kronos' rights or remedies, suspend Services until such amounts are paid in full. Kronos will provide at least seven (7) days' prior written notice that Customer's account is overdue before suspending Services.

3.3 Deleted Intentionally.

3.4 Customer agrees that except if Customer terminates for material breach of this Section D by Kronos, if Customer has not paid the Minimum Contract Value to Kronos at the conclusion of the Initial Term or the earlier termination of the Services, whichever is earlier, Kronos shall bill, and Customer shall pay within thirty (30) days of the date of such invoice, the difference between the total Monthly Service Fees then paid by Customer and the Minimum Contract Value, less SLA Credits, if any, that have been earned previously by Customer but not yet credited.

4. RIGHTS TO USE

4.1 Subject to the terms and conditions of the Agreement, Kronos hereby grants Customer a limited, revocable, non-exclusive, non-transferable, non-assignable right to use during the Term and for internal business purposes only: a) the Application(s) and related services, including the Documentation; b) training materials and KnowledgePass Content; and, c) any embedded third party software, libraries, or other components, which are included in the Services, excluding such Third Party software, libraries or other components as are licensed directly from such Third Parties. The Services contain proprietary trade secret technology of Kronos and its Suppliers. Unauthorized use and/or copying of such technology are prohibited by law, including United States and foreign copyright law. Customer shall not reverse compile, disassemble or otherwise convert the Applications into uncompiled or unassembled code. Customer shall not use any of the third party software programs (or the data models therein) included in the Services except solely as part of and in connection with the Services. The JBoss® Enterprise Middleware components of the Service are subject to the end user license agreement found at http://www.redhat.com/licenses/jboss_eula.html Customer acknowledges that execution of separate third party agreements may be required in order for Customer to use certain add-on features or functionality, including without limitation tax filing services.

4.2 Customer acknowledges and agrees that the right to use the Applications is limited based upon the amount of the Monthly Service Fees paid by Customer. Customer agrees to use only the modules and/or features for the number of employees and users as described on the Order Form. Customer agrees not to use any other modules or features nor increase the number of employees and users unless Customer pays for such additional modules, features, employees or users, as the case may be. Customer may not license, relicense or sublicense the Services, or otherwise permit use of the Services (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Services without the express prior written consent of Kronos. No license, right, or interest in any Kronos trademark, trade name, or service mark, or those of Kronos' licensors or Suppliers, is granted hereunder.

4.3 Customer may authorize its third party contractors and consultants to access the Services on an as needed basis, provided Customer: a) abides by its obligations to protect Confidential Information as set forth in this Agreement; b) remains responsible for all such third party usage and compliance with the Agreement; and c) does not provide such access to a competitor of Kronos who provides workforce management services.

4.4 Customer acknowledges and agrees that, as between Customer and Kronos, Kronos retains ownership of all right, title and interest to the Services, all of which are protected by copyright and other intellectual property rights, and that, other than the express rights granted herein and under any other agreement in writing with Customer, Customer shall not obtain or claim any rights in or ownership interest to the Services or Applications or any associated intellectual property rights in any of the foregoing. Customer agrees to comply with all copyright and other intellectual property rights notices contained on or in any information obtained or accessed by Customer through the Services.

4.5 When using and applying the information generated by the Services, Customer is responsible for ensuring that Customer complies with the applicable requirements of federal and state law. If the Services include the Workforce Payroll Applications or Workforce Absence Management Applications: (i) Customer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using

these Applications, (ii) using these Applications does not release Customer of any professional obligation concerning the preparation and review of any reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or these Applications for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using these Applications and satisfy itself that those calculations are correct.

5. ACCEPTABLE USE

5.1 Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Services, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Section D.

5.2 Customer represents and warrants to Kronos that Customer has the right to publish and disclose the Customer Content in the Services. Customer represents and warrants to Kronos that the Customer Content: (a) does not infringe or violate any third-party right, including but not limited to intellectual property, privacy, or publicity rights, (b) is not abusive, profane, or offensive to a reasonable person, or, (c) is hateful or threatening.

5.3 Customer will not (a) use, or allow the use of, the Services in contravention of any federal, state, local, foreign or other applicable law, or rules or regulations of regulatory or administrative organizations; (b) introduce into the Services any virus or other code or routine intended to disrupt or damage the Services, or alter, damage, delete, retrieve or record information about the Services or its users; (c) excessively overload the Kronos systems used to provide the Services; (d) perform any security integrity review, penetration test, load test, denial of service simulation or vulnerability scan; (e) use any tool designed to automatically emulate the actions of a human user (e.g., robots); or, (d) otherwise act in a fraudulent, malicious or negligent manner when using the Services.

6. CONNECTIVITY AND ACCESS

Customer acknowledges that Customer shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, third party services and related equipment and components); and (b) provide Kronos and Kronos' representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under this Section D. Customer will make all necessary arrangements as may be required to provide access to Customer's computer and network environment if necessary for Kronos to perform its obligations under this Section D. Customer agrees that Kronos may audit Customer's use of the Services.

7. IMPLEMENTATION AND SUPPORT

7.1 Implementation Services. Kronos will provide the Implementation Services to Customer. Implementation Services described in an SSS are provided on a time and materials basis, billed monthly as delivered. Implementation Services described in the Services Implementation Guideline are provided on a fixed fee basis. If Customer requests additional Implementation Services beyond those described in the SSS, Kronos will create a change order for Customer's review and approval and any additional Implementation Services to be provided by Kronos in accordance with Section B. Kronos' configuration of the Applications will be based on information and work flows that Kronos obtains from Customer during the discovery portion of the Implementation. Customer shall provide Kronos with necessary configuration-related information in a timely manner to ensure that mutually agreed Implementation schedules are met.

7.2 Additional Services. Customer may engage Kronos to provide other services which may be fixed by activity or provided on a time and materials basis as indicated on the applicable Order Form.

7.3 Support. Kronos will provide 24x7 support for the cloud infrastructure, the availability to the cloud environment, and telephone support for the logging of functional problems and user problems. Customer may log questions online via the Kronos Customer Portal. As part of such support, Kronos will make updates to the Services available to Customer at no charge as such updates are released generally to Kronos' customers. Customer agrees that Kronos may install such updates automatically as part of the Services. Kronos' then-current Support Services Policies shall apply to all Equipment Support Services provided by Kronos and may be accessed at: http://www.kronos.com/Support/SupportServicesPolicies.htm ("Support Policies"). In the event of a conflict between the Support Policies and this Addendum and the Agreement, the terms of this Addendum, then the Agreement shall prevail.

7.4 Support Services for Equipment. Provided Customer has purchased support services for the Equipment, the following terms shall apply (support services for rented Equipment are included in the rental fees for such Equipment):

(a) Customer may select, as indicated on an Order Form, an Equipment Support Services option offered by the local Kronos entity responsible for supporting the Equipment if and as such offerings are available within the Kronos territory corresponding to the Equipment's location. Kronos shall provide each Equipment Support Services offering as specified herein.

(b) Equipment Support Service

(i) Depot Exchange and Depot Repair. If Customer has selected Depot Exchange or Depot Repair Equipment Support Services, the following provisions shall apply:

Upon the failure of installed Equipment, Customer shall notify Kronos of such failure and Kronos will provide remote fault isolation at the FRU (Field Replacement Unit) or subassembly level and attempt to resolve the problem. Those failures determined by Kronos to be Equipment related shall be dispatched to a Kronos Depot Repair Center, and Customer will be provided with a Return Material Authorization Number (RMA) for the failed Equipment if Customer is to return the failed Equipment to Kronos, as reasonably determined by Kronos. Customer must return the failed Equipment with the supplied RMA number. Hours of operation, locations and other information related to Kronos' Depot Repair Centers are available upon request and are subject to change. Return and repair procedures for failed Equipment shall be provided based on the Depot option - Depot Exchange or Depot Repair - selected by Customer on the applicable Order Form and as specified herein and in Kronos' then-current Support Services Policies. Service packs for the Equipment (as described in subsection (b) below) are included in both Depot Exchange and Depot Repair Support Services.

Depot Exchange: Kronos will provide a replacement for the failed Equipment at the FRU or subassembly level on an "advanced exchange" basis, utilizing a carrier of Kronos' choice. Replacement Equipment will be shipped the same day, for delivery to Customer's location as further described in the Support Policies. REPLACEMENT EQUIPMENT MAY BE NEW OR RECONDITIONED. Customer shall specify the address to which the Equipment is to be shipped. All shipments will include the Kronos provided RMA designating the applicable Kronos Depot Repair Center, as the recipient. Customer, upon receipt of the replacement Equipment from Kronos, shall package the defective Equipment in the materials provided by Kronos, with the RMA supplied and promptly return failed Equipment directly to Kronos.

Depot Repair: Upon failure of installed Equipment, Customer shall install a Spare Product to replace the failed Equipment. Customer shall then return the failed Equipment, with the required RMA, to the applicable Kronos Depot Repair Center. Customer shall make reasonable efforts to return the failed Equipment using the same or substantially similar packing materials in which the original Equipment was sent. Customer shall also specify the address to which the repaired Equipment should be return shipped. Upon receipt of the failed Equipment, Kronos shall repair the failed Equipment and ship it, within ten (10) business days after receipt, to Customer. Kronos shall ship the repaired Equipment by regular surface transportation to Customer.

(ii) Device Software Updates Only: If Customer has selected Device Software Equipment Support Services, Customer shall be entitled to receive:

(I) Service packs for the Equipment (which may contain system software updates, firmware updates, security updates, and feature enhancements) available for download at Kronos' customer portal. Service packs for the Equipment are not installed by the Kronos Depot Repair Center but are available for download at Kronos' customer portal, provided Customer is maintaining the Equipment under an annual Equipment Support Services plan with Kronos.; and

(II) Access to the Kronos Support Services Center for the logging of requests for assistance downloading service packs for the Equipment.

(c) Kronos warrants that all service packs and firmware updates provided under this Agreement shall materially perform in accordance with the Kronos published specifications for a period of ninety (90) days after download by Customer. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient service pack(s) or firmware update(s), at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the specifications.

(d) Responsibilities of Customer: It is Customer's responsibility to purchase and retain, at Customer's location and at Customer's sole risk and expense, a sufficient number of spare products ("Spare Products") to allow Customer to replace failed Equipment at Customer's locations in order for Customer to continue its operations while repairs are being performed and replacement Equipment is being shipped to Customer. For each of the Depot Exchange and Depot Repair Equipment Support Services options, Customer agrees that it shall return failed Equipment promptly as the failures occur and that it shall not hold failed Equipment and send failed Equipment to Kronos in "batches" which shall result in a longer turnaround time to Customer. In addition, Customer agrees to:

(i) Maintain the Equipment in an environment conforming to the Kronos published specifications for such Equipment;

(ii) Not perform self-repairs on the Equipment (i.e., replacing components) without prior written authorization from Kronos;

(iii) De-install all failed Equipment and install all replacement Equipment in accordance with Kronos' written installation guidelines;

(iv) Ensure that the Equipment is returned to Kronos properly packaged; and

(v) Obtain an RMA before returning any Equipment to Kronos and place the RMA clearly and conspicuously on the outside of the shipping package. Customer may only return the specific Equipment authorized by Kronos when issuing the RMA.

(e) Delivery. All domestic shipments within the United States are FOB Destination to/from Customer and Kronos with the shipping party bearing all costs and risks of loss, and with title passing upon delivery to the identified destination. All international shipments from Kronos to Customer are DAP (Incoterms 2010) to the applicable Customer location, and are DDP (Incoterms 2010) to the applicable Kronos Depot Repair Center when Customer is shipping to Kronos. Customer is responsible for all duties and taxes when sending Equipment to Kronos.

7.5 KnowledgePass Education Subscription. When KnowledgePass Education Subscription is listed on an Order Form, Kronos will provide Customer with the KnowledgePass Education Subscription. The KnowledgePass Education Subscription provides access to certain educational offerings provided by Kronos (the "KnowledgePass Content"). Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in *pdf form solely for Customer's internal use. Customer may not disclose such KnowledgePass Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of training kits solely for Customer's internal use.

7.6 Training Points. "Training Points" which are purchased by Customer may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Training Points may be redeemed only during the Term at any time no more than twelve (12) months after the date of the applicable Order Form, after which time such Training Points shall expire and be of no value. Training Points may not be exchanged for other Kronos products or services.

7.7 Training Courses. When Training Points or training sessions are set forth in an SSS, the SSS applies. When Training Points or training sessions are not set forth in an SSS, as part of the Services, for each SaaS application module included in the Services purchased by Customer, Customer's employees shall be entitled to attend, in the quantity indicated, the corresponding training courses set forth at: www.kronos.com/products/workforce-central-saas/training-guidlines.aspx Participation in such training courses is limited to the number of seats indicated for the courses corresponding to the modules forming a part of the Services purchased by Customer.

7.8 Technical Account Manager. Customers purchasing a Kronos Technical Account Manager ("TAM") as indicated on the Order Form shall receive the services of a dedicated, but not exclusive, TAM for one production instance of the Software. Customer will designate up to two primary and three secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos training for the Applications covered under this Agreement at Customer's expense.

8. CUSTOMER CONTENT

Customer shall own all Customer Content and posts or other inputs into the Services by Customer or others acting on behalf of or through Customer. Kronos acknowledges that all of the Customer Content is deemed to be the Confidential Information of Customer. Kronos may, but shall have no obligation to, monitor Customer Content from time to time to ensure compliance with this Section D and applicable law.

9. EQUIPMENT
If Customer purchases or rents Equipment from Kronos, a description of such Equipment (model and quantity), the applicable pricing, and delivery terms shall be listed on the Order Form.

9.1 The following terms apply only to Equipment Customer rents from Kronos:
a) Rental Term and Warranty Period. The term of the Equipment rental and the "Warranty Period" for such Equipment shall run coterminously with the Term of the other Services provided under this Section D.
b) Insurance. Customer shall insure the Equipment for an amount equal to the replacement value of the Equipment for loss or damage by fire, theft, and all normal extended coverage at all times. No loss, theft or damage after shipment of the Equipment to Customer shall relieve Customer from Customer's obligations under this Section D.
c) Location/Replacement. Customer shall not make any alterations or remove the Equipment from the place of original installation without Kronos' prior written consent. Kronos shall have the right to enter Customer's premises to inspect the Equipment during normal business hours. Kronos reserves the right, at its sole discretion and at no additional cost to Customer, to replace any Equipment with newer or alternative technology Equipment as long as the replacement Equipment at least provides the same level of functionality as that being replaced.
d) Ownership. All Equipment shall remain the property of Kronos. All Equipment is, and at all times shall remain, separate items of personal property, notwithstanding such Equipment's attachment to other equipment or real property. Customer shall not sell or otherwise encumber the Equipment. Customer shall furnish any assurances, written or otherwise, reasonably requested by Kronos to give full effect to the intent of terms of this paragraph (d).
e) Equipment Support. Kronos shall provide to Customer the Equipment support services described in Section 7.
f) Return of Equipment. Upon termination of the Services, Customer agrees that Customer shall return the Equipment to Kronos within thirty (30) days at Customer's expense. Equipment will be returned to Kronos in the same condition as and when received, reasonable wear and tear excepted. If Customer fails to return Equipment within this time period, upon receiving an invoice from Kronos, Customer shall pay Kronos the then list price of the unreturned Equipment.

9.2 The following terms apply only to Equipment Customer purchases from Kronos:
a) Ownership and Warranty Period. Title to the Equipment shall pass to Customer upon delivery to the carrier. The "Warranty Period" for the Equipment shall be for a period of ninety (90) days from such delivery (unless otherwise required by law).
b) Equipment Support. Kronos shall provide to Customer the Equipment support services described herein if purchased separately by Customer as indicated on the applicable Order Form. If purchased, Equipment support services shall commence upon expiration of the Warranty Period.

10. SERVICE LEVEL AGREEMENT
Kronos shall provide the service levels and associated credits, when applicable, in accordance with the Service Level Agreement attached hereto as Exhibit A and which is hereby incorporated herein by reference. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF ANY SERVICE OUTAGE or INTERRUPTION OF the SERVICES OR FAILURE BY KRONOS TO MEET THE TERMS OF the APPLICABLE service level agreement, SHALL BE THE REMEDIES PROVIDED IN exhibit A.

11. LIMITED WARRANTY; DISCLAIMERS OF WARRANTY
11.1 Kronos represents and warrants to Customer that the Applications, under normal operation as specified in the documentation and when used as authorized herein, will perform substantially in accordance with such documentation during the Term.

11.2 Kronos' sole obligation and Customer's sole and exclusive remedy for any breach of the foregoing warranty is limited to Kronos' reasonable commercial efforts to correct the non-conforming Services at no additional charge to Customer. In the event that Kronos is unable to correct material deficiencies in the Services arising during the Warranty Period, after using Kronos' commercially reasonable efforts to do so, Customer shall be entitled to terminate the then remaining Term of the Services for cause in accordance with Section 2 above as Customer's sole and exclusive remedy. Kronos' obligations hereunder for breach of warranty are conditioned upon Customer notifying Kronos of the material breach in writing, and providing Kronos with sufficient evidence of such non-conformity to enable Kronos to reproduce or verify the same.

11.3 Kronos warrants to Customer that each item of Equipment shall be free from defects in materials and workmanship during the Warranty Period. In the event of a breach of this warranty, Customer's sole and exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment, at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the documentation for such Equipment. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) in the event of:
a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including without limitation modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
b) failure of Customer to provide and maintain a suitable installation environment, as specified in the published specifications for such Equipment; or
c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

EXCEPT AS PROVIDED FOR IN THIS SECTION 11, KRONOS HEREBY DISCLAIMS ALL WARRANTIES, CONDITIONS, GUARANTIES AND REPRESENTATIONS RELATING TO THE SERVICES, EXPRESS OR IMPLIED, ORAL OR IN WRITING, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND WHETHER OR NOT ARISING THROUGH A COURSE OF DEALING. THE SERVICES ARE NOT GUARANTEED TO BE ERROR-FREE OR UNINTERRUPTED. EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION D OF THIS AGREEMENT, KRONOS MAKES NO WARRANTIES OR REPRESENTATIONS CONCERNING THE COMPATIBILITY OF THE SERVICES, THE SAAS APPLICATIONS OR THE EQUIPMENT NOR ANY RESULTS TO BE ACHIEVED THEREFROM.

12.0 DATA SECURITY
12.1 As part of the Services, Kronos shall provide those administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer data as described at: http://www.kronos.com/products/workforce-central-cloud/cloud-guidelines.aspx
Customer acknowledges that such safeguards endeavor to mitigate security incidents, but such incidents may not be mitigated entirely or rendered harmless. Customer should consider any particular Kronos supplied security-related safeguard as just one tool to be used as part of Customer's overall security strategy and not a guarantee of security. Both parties agree to comply with all applicable privacy or data protection statutes, rules, or regulations governing the respective activities of the parties under this Section D.

12.2 As between Customer and Kronos, all Personally Identifiable Data is Customer's Confidential Information and will remain the property of Customer. Customer represents that to the best of Customer's knowledge such Personally Identifiable Data supplied to Kronos is accurate. Customer hereby consents to the use, processing or disclosure of Personally Identifiable Data by Kronos and Kronos' Suppliers wherever located only for the purposes described herein and only to the extent such use or processing is necessary for Kronos to carry out Kronos' duties and responsibilities under this Section D or as required by law.

12.3 Prior to initiation of the Services and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer's industry and which could be imposed on Kronos as a result of provision of the Services. Customer will ensure that: (a) the transfer to Kronos and storage of any Personally Identifiable Data by Kronos or Kronos' Supplier's data center is permitted under applicable data protection laws and regulations; and, (b) Customer will obtain consents from individuals for such transfer and storage to the extent required under applicable laws and regulations.

13. INDEMNIFICATION

13.1 Kronos shall defend Customer and its respective directors, officers, and employees (collectively, the "Customer Indemnified Parties"), from and against any and all notices, charges, claims, proceedings, actions, causes of action and suits, brought by a third party (each a "Claim") alleging that the permitted uses of the Services infringe or misappropriate any United States or Canadian copyright or patent and will indemnify and hold harmless the Customer Indemnified Parties against any liabilities, obligations, costs or expenses (including without limitation reasonable attorneys' fees) actually awarded to a third party as a result of such Claim by a court of applicable jurisdiction or as a result of Kronos' settlement of such a Claim. In the event that a final injunction is obtained against Customer's use of the Services by reason of infringement or misappropriation of such copyright or patent, or if in Kronos' opinion, the Services are likely to become the subject of a successful claim of such infringement or misappropriation, Kronos, at Kronos' option and expense, will use commercially reasonable efforts to (a) procure for Customer the right to continue using the Services as provided in this Section D, (b) replace or modify the Services so that the Services become non-infringing but remain substantively similar to the affected Services, and if neither (a) or (b) is commercially feasible, to (c) terminate the Services and the rights granted hereunder after provision of a refund to Customer of the Monthly Service Fees paid by Customer for the infringing elements of the Services covering the period of their unavailability.

13.2 Kronos shall have no liability to indemnify or defend Customer to the extent the alleged infringement is based on: (a) a modification of the Services by anyone other than Kronos; (b) use of the Services other than in accordance with Kronos' documentation for such Service or as authorized by this Section D; (c) use of the Services in conjunction with any data, equipment, service or software not provided by Kronos, where the Services would not otherwise itself be infringing or the subject of the claim; or (d) use of the Services by Customer other than in accordance with the terms of this Section D. Notwithstanding the foregoing, with regard to infringement claims based upon software created or provided by a licensor to Kronos or Suppliers, Kronos' maximum liability will be to assign to Customer Kronos' or Supplier's recovery rights with respect to such infringement claims, provided that Kronos or Kronos' Supplier shall use commercially reasonable efforts at Customer's cost to assist Customer in seeking such recovery from such licensor.

13.3 Customer shall be responsible and liable for all damages and cost of Kronos, its suppliers and their officers, directors and employees for all Claims resulting from : (a) employment-related claims arising out of Customer's configuration of the Services; (b) Customer's modification or combination of the Services with other services, software or equipment not furnished by Kronos, provided that such Customer modification or combination is the cause of such infringement and was not authorized by Kronos; or, (c) a claim that the Customer Content infringes in any manner any intellectual property right of any third party, or any of the Customer Content contains any material or information that is obscene, defamatory, libelous, or slanderous violates any person's right of publicity, privacy or personality, or has otherwise caused or resulted in any tort, injury, damage or harm to any other person.

13.4 The Indemnified Party(ies) shall provide written notice to the indemnifying party promptly after receiving notice of such Claim. If the defense of such Claim is materially prejudiced by a delay in providing such notice, the purported indemnifying party shall be relieved from providing such indemnity to the extent of the delay's impact on the defense. The indemnifying party shall have sole control of the defense of any indemnified Claim and all negotiations for its settlement or compromise, provided that such indemnifying party shall not enter into any settlement which imposes any obligations or restrictions on the applicable Indemnified Parties without the prior written consent of the other party. The Indemnified Parties shall cooperate fully, at the indemnifying party's request and expense, with the indemnifying party in the defense, settlement or compromise of any such action. The indemnified party may retain its own counsel at its own expense, subject to the indemnifying party's rights above.

14. LIMITATION OF LIABILITY

14.1 Except as specifically provided in this Section D, Kronos and its suppliers will not be liable for any damages or injuries caused by the use of the services or by any errors, delays, interruptions in transmission, or failures of the services.

14.2 Except for Kronos' indemnification obligations set forth in section 13 above, the total aggregate liability of Kronos or Kronos' suppliers to customer and/or any third party in connection with this Section D shall be limited to direct damages proven by customer, such direct damages not to exceed an amount equal to the total net payments received by Kronos for the services in the twelve (12) month period immediately preceding the date in which such claim arises.

14.3 Except for Kronos' indemnification obligations set forth in section 13 above, in no event shall Kronos or Kronos' suppliers, their respective affiliates, service providers, or agents be liable to customer or any third party for any incidental, special, punitive, consequential or other indirect damages or for any lost or imputed profits or revenues, lost data or cost of procurement of substitute services resulting from delays, nondeliveries, misdeliveries or services interruption, however caused, arising from or related to the Services, regardless of the legal theory under which such liability is asserted, whether breach of warranty, indemnification, negligence, strict liability or otherwise, and whether liability is asserted in contract, tort or otherwise, and regardless of whether Kronos or supplier has been advised of the possibility of any such liability, loss or damage.

14.4 Except with respect to liability arising from Kronos' gross negligence or willful misconduct, Kronos disclaims any and all liability, including without limitation liability related to a breach of data security and confidentiality obligations, resulting from any externally introduced harmful program (including without limitation viruses, trojan horses, and worms), Customer's content or applications, third party unauthorized access of equipment, SAAS applications or systems, or machine error.

EXHIBIT A

SERVICE LEVEL AGREEMENT (SLA)

Service Level Agreement: The Services, in a production environment and as described in the Statement of Work (aka Services Scope Statement), are provided with the service levels described in this Exhibit A. SLAs are only applicable to production environments. SLAs will be available upon Customer's signature of Kronos' Go Live Acceptance Form for Customer's production environment.

99.75% Application Availability

Actual Application Availability % = (Monthly Minutes (MM) minus Total Minutes Not Available (TM)) multiplied by 100) and divided by Monthly Minutes (MM), but not including Excluded Events

Service Credit Calculation: An Outage will be deemed to commence when the Applications are unavailable to Customer in Customer's production environment hosted by Kronos and end when Kronos has restored availability of the Services. Failure to meet the 99.75% Application Availability SLA, other than for reasons due to an Excluded Event, will entitle Customer to a credit as follows:

Actual Application Availability % (as measured in a calendar month)	Service Credit to be applied to Customer's monthly invoice for the affected month
<99.75% to 98.75%	10%
<98.75% to 98.25%	15%
<98.25% to 97.75%	25%
<97.75 to 96.75%	35%
<96.75	50%

"Outage" means the accumulated time, measured in minutes, during which Customer is unable to access the Applications for reasons other than an Excluded Event.

"Excluded Event" means any event that results in an Outage and is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Kronos, including without limitation Customer Content, failures or malfunctions resulting from circuits provided by Customer, any inconsistencies or changes in Customer's source environment, including either intentional or accidental connections or disconnections to the environment; (c) Force Majeure events; (d) scheduled or emergency maintenance, alteration or implementation provided during the Maintenance Period defined below; (e) any suspension of the Services in accordance with the terms of the Agreement to which this Exhibit A is attached; (f) the unavailability of required Customer personnel, including as a result of failure to provide Kronos with accurate, current contact information; or (g) using an Application in a manner inconsistent with the product documentation for such Application.

"Maintenance Period" means scheduled maintenance periods established by Kronos to maintain and update the Services, when necessary. During these Maintenance Periods, the Services are available to Kronos to perform periodic maintenance services, which include vital software updates. Kronos will use its commercially reasonable efforts during the Maintenance Period to make the Services available to Customer; however, some changes will require downtime. Kronos will provide notice for planned downtime via an email notice to the primary Customer contact at least one day in advance of any known downtime so planning can be facilitated by Customer.

Currently scheduled Maintenance Periods for the Services are:

Monday through Friday	04:00 am – 06:00 am (U.S. eastern time)
Saturday and Sunday	12:00 am – 06:00 am (U.S. eastern time)

Maintenance Periods include those maintenance periods mutually agreed upon by Customer and Kronos.

"Monthly Minutes (MM)" means the total time, measured in minutes, of a calendar month commencing at 12:00 am of the first day of such calendar month and ending at 11:59 pm of the last day of such calendar month.

"Total Minutes Not Available (TM)" means the total number of minutes during the calendar month that the Services are unavailable as the result of an Outage.

Limitations: Service Credits will not be provided if: (a) Customer is in breach or default under the Agreement at the time the Outage occurred; or (b) the Outage results from an Excluded Event. If Kronos does not provide the appropriate Service Credit as due hereunder, Customer must request the Service Credit within sixty (60) calendar days of the conclusion of the month in which the Service Credit accrues. Customer waives any right to Service Credits not requested within this time period. All performance calculations and applicable Service Credits are based on Kronos records and data unless Customer can provide Kronos with clear and convincing evidence to the contrary.

The Service Level Agreements in this Exhibit, and the related Service Credits, apply on a per production environment basis. For the avoidance of doubt, Outages in one production environment may not be added to Outages in any other production environment for purposes of calculating Service Credits.

Customer acknowledges that Kronos manages its network traffic in part on the basis of Customer's utilization of the Services and that changes in such utilization may impact Kronos' ability to manage network traffic. Therefore, notwithstanding anything else to the contrary, if Customer significantly changes its utilization of the Services than what is contracted with Kronos and such change creates a material and adverse impact on the traffic balance of the Kronos network, as reasonably determined by Kronos, the parties agree to co-operate, in good faith, to resolve the issue.

SECTION E

KRONOS WORKFORCE READY® - SOFTWARE AS A SERVICE (SAAS) TERMS AND CONDITIONS

Customer and Kronos agree that the terms and conditions set forth in this Section E shall apply to the Kronos software application programs and related services and materials (including applicable documentation) and equipment (if any) specified on an Order Form for Workforce Ready(collectively, the "Services"). The Services described on an Order Form shall be delivered by means of Customer's permitted access to the password protected customer area of a Kronos website.

1. TERM

1.1 The Services shall be deemed to start on the earlier of: a) ninety (90) days from Kronos' receipt of the relevant Order Form; or, b) the date Customer is authorized to "go live" with the Services for production purposes, (the "Start Date"), and shall continue indefinitely on a month-to-month basis until terminated in accordance with the provisions hereof (the "Term"). Customer acknowledges that execution of separate third party agreements may be required in order for Customer to "go live" with certain add-on features or functionality, including tax filing services ("Add-on Features"), as identified by Kronos on the Order Form.

1.2 Customer may terminate the Services or the Agreement for convenience upon thirty (30) days prior written notice.

1.3 Either party may suspend or terminate the Services or the Agreement upon a material breach of the Agreement by the other party if such breach is not cured within fifteen (15) days after receipt of written notice. Notwithstanding the foregoing, Kronos may suspend or terminate the Services or the Agreement immediately upon notice in the event of any Customer breach of Sections 3 (License to Use), 4 (Acceptable Use), or Section A.4 (Confidential Information), below.

1.4 In the event that either party becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt or insolvent, commences a case under applicable bankruptcy laws, files a petition seeking reorganization, the other party may request adequate assurances of future performance. Failure to comply with such request within ten (10) days of delivery of the request shall entitle the requesting party to terminate the Agreement immediately upon written notice to the other.

1.5 If the Agreement is terminated for any reason:

(a) Customer shall pay Kronos within thirty (30) days all fees accrued for the Services prior to the date of termination, provided that if Customer terminates Kronos for material breach of the Agreement, Kronos shall be responsible to refund to Customer unused pre-paid service fees, if any;

(b) Customer's right to access and use the Services shall be revoked and be of no further force or effect;

(c) Within fifteen (15) days of termination Customer will retrieve Customer's historical data in accordance with previously established system access procedures and applicable state and federal laws. After such time period, Kronos shall have no further obligation to store and/or make available Customer's historical data and may delete same. If Customer requires additional data conversion services from Kronos, these services may be contracted from Kronos at Kronos' then published rates.

(d) Customer agrees to timely return all Kronos-provided materials related to the Services to Kronos at Customer's expense or, alternatively, upon prior written approval of Kronos, provide Kronos with an officer's certification of the destruction thereof; and

(e) all provisions in the Agreement, which by their nature are intended to survive termination, shall so survive.

2. FEES AND PAYMENT

2.1 In consideration of the delivery of the Services, Customer shall pay Kronos the Setup Fees, the Monthly Service Fees and any additional one time, set-up or recurring fees, all as defined on the Order Form. All fees payable for the Services shall be sent to the address specified on the Kronos invoice. Unless otherwise indicated on an Order Form, payment terms for all items except the Setup Fees shall be net upon receipt of invoice. Except as expressly set forth in this Section E, all amounts paid to Kronos are non-refundable.

2.2 The Setup Fees shall be invoiced upon execution of the Order and shall be due net 30 days following date of invoice. Customer acknowledges that setup fees may be charged to Customer by third parties for Add-on Features. Monthly Service fees shall be based on monthly periods that begin on the Start Date. Monthly Service Fees shall include fees for Equipment rental, if any, as described in Section 8 below. Monthly Service Fees for Services added on or before the 15th day of a given month will be charged for that full monthly period and each monthly period of the Term thereafter; Monthly Service Fees for Services added after the 15th day of a given month will begin to accrue as of the 1st day of the following month and will be charged for each monthly period of the Term thereafter. Monthly Service Fees shall be invoiced promptly following the end of the calendar month in which the Monthly Service Fees were accrued. Kronos will monitor Customer's "Usage" of the Services (as defined below) in order to calculate the Usage portion of the Monthly Service Fees to be charged. Usage of the Services, depending on applicable features, components, or services, shall be priced as identified on the Order Form either on a: (a) per month basis; (b) per active employee (herein "Active Employee") per month usage basis; or, (c) per transaction basis (e.g.: pay statement). For purposes of the Agreement, an employee shall be deemed an Active Employee during any applicable billing period if through the Services: (i) time has been entered for such employee; (ii) records have been included for such employee for the purpose of processing payroll; (iii) records have been included for such employee within an import/export process; (iv) such employee has accessed the Services, regardless of the purpose; (v) benefit time has been accrued for such employee; (vi) human resource reporting has been performed for or on such employee; or, (vii) such employee has been marked as an "Active" status during the period.

2.3 Customer agrees that except in those circumstances in which Customer is entitled to invoke the termination for cause provision set forth in Section 1.3 above, in consideration of Kronos' delivery of the Services on a variable fee basis, Customer agrees to pay Kronos each month during the Term in which charges accrue no less than the minimum monthly fees ("Minimum Monthly Fees") as identified on the Order Form. The Minimum Monthly Fees shall be calculated by Kronos based on Customer's anticipated monthly Usage of the Services plus Equipment rental fees, if any. In the event that Customer does not reach the anticipated Usage upon which the Minimum Monthly Fees was based for any given month during the Term, Customer shall remain responsible for paying the Minimum Monthly Fees for that month. If an Order Form or the Agreement is suspended by Kronos for non-payment or otherwise terminated by Kronos for cause, Customer shall remain liable to pay the applicable Minimum Monthly Fees up to and including the last day of the month in which the effective date of termination occurs.

2.4 If any amount owing under this or any other agreement for Services is 30 or more days overdue, Kronos may, without limiting its other rights and remedies, accelerate unpaid fee obligations under such agreements so that all such obligations become immediately due and payable, and suspend Services until such amounts are paid in full. Kronos will provide at least 7 days' prior notice that Customer's account is overdue before suspending Services.

2.5 Deleted Intentionally.

3. LICENSE TO USE

3.1 Subject to the terms and conditions of this Section E, Kronos hereby grants Customer during the Term a limited, revocable, non-exclusive, non-transferable, non-assignable license to use for internal business purposes only: a) the Kronos application(s) and related services, including applicable Services description documentation and training materials (the "Documentation"); and, b) any embedded third party software, libraries, or other components, which collectively comprise the Services. The Services contain proprietary trade secret technology of Kronos. Unauthorized use and/or copying of such Services are prohibited by law, including United States and foreign copyright law. Customer may use the software included in the Services in object code form only, and shall not reverse compile, disassemble or otherwise convert such software into uncompiled or unassembled code. Customer acknowledges and agrees that the license to use the Services is limited based upon authorized Usage and the amount of the Monthly Service Fees to be paid by Customer. Customer agrees to use only the modules and/or features described on the Order Form. Customer agrees not to use any other modules or features unless Customer has licensed such additional modules or features. Customer may not relicense or sublicense the Services, or otherwise permit use of the Services (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Services without the express prior written consent of Kronos. No license, right, or interest in any Kronos trademark, trade name, or service mark, or those of Kronos' licensors or third party suppliers ("Suppliers"), is granted hereunder.

3.2 Customer may authorize its third party contractors and consultants to access the Services on an as needed basis, provided Customer: a) abides by its obligations to protect confidential information; b) remains responsible for all such third party usage and compliance with this Section E of this Attachment; and c) does not provide such access to a competitor of Kronos who provides workforce management services.

3.3 Customer agrees and acknowledges that Kronos retains ownership of all right, title and interest to the Services, all of which are protected by copyright and other intellectual property rights, and that, other than the express licenses granted herein, Customer shall not obtain or claim any rights in or ownership interest to the Services or any associated intellectual property rights therein. Customer agrees to comply with all copyright and other intellectual property rights notices contained on or in any information obtained or accessed by Customer through the Services.

3.4 Kronos will make updates and upgrades to the Services (tools, utilities, improvements, third party applications, general enhancements) available to Customer at no charge as they are released generally to its customers. Customer agrees to receive those updates automatically as part of the Services. Kronos also may offer new products and/or services to Customer at an additional charge. Customer shall have the option of purchasing such new products and/or services under a separate Order Form.

3.5 Kronos reserves the right to change or discontinue the Services, in whole or in part, including but not limited to, the internet based services, technical support options, and other Services-related policies. Customer's continued use of the Services after Kronos posts or otherwise notifies Customer of any changes indicates Customer's agreement to those changes.

4. ACCEPTABLE USE

4.1 Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Services, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Section E.

4.2 Customer represents and warrants to Kronos that Customer has the right to publish and disclose Customer's data and other content ("Customer Content") in connection with the Services. Customer represents and warrants to Kronos that the Customer Content will not: (a) infringe or violate any third-party right, including (but not limited to) intellectual property, privacy, or publicity rights; (b) be abusive, profane, or offensive to a reasonable person; or, (c) be hateful or threatening.

4.3 Customer will not (a) use, or allow the use of, the Services or Customer Content in contravention of any federal, state, local, foreign or other applicable law, or rules or regulations of regulatory or administrative organizations; (b) introduce into the Services any virus or other code or routine intended to disrupt or damage the Services, or alter, damage, delete, retrieve or record information about the Services or its users; (c) excessively overload the Kronos systems used to provide the Services; (d) perform any security integrity review, penetration test, load test, denial of service simulation or vulnerability scan; (e) use any tool designed to automatically emulate the actions of a human user (e.g., robots); or, (d) otherwise act in a fraudulent, malicious or negligent manner when using the Services.

5. CONNECTIVITY AND ACCESS

5.1 Customer acknowledges that it shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, third party services and related equipment and components); (b) provide Kronos and its representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under this Section E of this Agreement. Kronos is hereby (i) granted access to such Customer data to perform its obligations under this Section E of this Agreement and (ii) authorized to audit the number of Active Employee counts or other transactions that have occurred to measure Usage ; (iii) make all necessary arrangements as may be required to provide such physical access to Customer's computer and network environment if necessary for Kronos to perform its obligations under this Section E of this Attachment.

5.2 Customer shall be fully responsible for all access requirements imposed by law, rule, regulation or contract in order for Kronos to deliver the Services pursuant to the terms of this Section E of this Agreement. Customer shall provide 30 calendar days advance written notice to Kronos of any change, modification, or reconfiguration of components or elements of the Customer's computer and network environment which may, in any manner, affect Customer's access to the Services.

6. SUPPORT

a) Implementation. Kronos will configure the Services utilizing scheduled remote resources. Software module configuration will be based on information and work flows obtained from Customer during the discovery portion of the implementation. Customer shall provide Kronos with necessary configuration-related information in a timely manner to ensure that mutually agreed implementation schedules are met. Kronos and Customer's implementation responsibilities are described more specifically in the Services Implementation Guideline set forth at: http://www.kronos.com/products/workforce-ready/implementation-guidlines.aspx .In the event of inconsistencies between the Services Implementation Guideline and this Agreement, the Agreement shall prevail.

b) Depot Exchange Services for Equipment. As needed, Kronos will send a replacement for Equipment rented (in accordance with Section 8 below) on an advance exchange basis by next-business-day delivery, when available. When Customer receives replacement Equipment, Customer shall return the defective unit to Kronos for repair. Equipment support also includes Customer access to Equipment service packs via the Kronos Customer Portal.
c) Standard Support. Kronos will provide telephone support 8:00 a.m. to 5:00 p.m., local time, Monday – Friday. Customers also shall be provided the capability to log questions online via the Kronos Customer Portal.
d) Educational Materials and Content. Customer will have access to certain educational materials and content (the "Educational Content") within the Services. Customer recognizes and agrees that the Educational Content is copyrighted by Kronos. Customer is permitted to make copies of the Educational Content provided in *pdf form solely for Customer's internal training purposes and may not disclose such Educational Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the Educational Content without the written consent of Kronos, provided that Customer may download and modify contents of Training Kits solely for Customer's internal use.

7. CUSTOMER CONTENT

Customer shall own all Customer Content and posts or other inputs into the Services by Customer or others acting on behalf of or through Customer, including but not limited to information, data (such as payroll data, vacation time, and hours worked), logos, text, multimedia images (e.g. graphics, audio and video files), compilations or any other content shared or processed through the Services. Kronos acknowledges that all such Customer Content is deemed to be the Confidential Information of Customer. Notwithstanding the foregoing, Customer grants Kronos permission to combine Customer's business data with that of other Customers in a manner that does not identify the Customer or any individual in order to evaluate and improve the services Kronos offers to customers. In addition, Kronos may, but shall have no obligation to, monitor Customer content from time to time to ensure compliance with this Section E and applicable law.

8. EQUIPMENT RENTAL

If Customer purchases or rents time clocks or other equipment from Kronos, a description of such Equipment (model and quantity) and the applicable pricing shall be listed on the Order Form (the "Equipment"). Delivery terms for the Equipment are FOB shipping point, prepay and add. Customer shall bear all risk of loss or damage while the Equipment is in transit to Customer.

8.1 The following additional terms apply only if Customer rents Equipment from Kronos:

a) Rental Term and Warranty Period. The term of the Equipment rental and the "Warranty Period" for such Equipment shall run coterminously with the Term of the other Services.
b) Insurance. Customer shall insure the Equipment for an amount equal to the replacement value of the Equipment for loss or damage by fire, theft, and all normal extended coverage at all times. No loss, theft or damage after shipment of the Equipment to Customer shall relieve Customer from its obligations under this Section E.
c) Location/Replacement. Customer shall not make any alterations or remove the Equipment from the place of original installation without Kronos' prior written consent. Kronos shall have the right to enter Customer's premises to inspect the Equipment during normal business hours. Kronos reserves the right, at its sole discretion and at no additional cost to Customer, to replace any Equipment with newer or alternative technology Equipment as long as the replacement Equipment at least provides the same level of functionality as that being replaced.
d) Ownership. All Equipment shall remain the property of Kronos. All Equipment is, and at all times shall remain, separate items of personal property, notwithstanding their attachment to other equipment or real property. Customer shall not sell or otherwise encumber the Equipment. Customer shall furnish any assurances, written or otherwise, reasonably requested by Kronos to give full effect to the intent of terms of this paragraph (d).
e) Equipment Support. Kronos shall provide to Customer the Equipment support services described in Section 6 above. The cost of such support service shall be included in the Monthly Services Fees.

Return Of Equipment. Upon termination of the Agreement or the applicable Order Form, Customer agrees that Customer shall disconnect, crate and return the Equipment to Kronos within thirty (30) days at Customer's expense. Equipment will be returned to Kronos in the same condition as and when received, reasonable wear and tear excepted. If Customer fails to return Equipment within this time period, Kronos shall invoice Customer for the then list price of the Equipment. Return Of Equipment. Upon termination of the Order Form, Customer agrees that Customer shall disconnect, crate and return the Equipment to Kronos within thirty (30) days at Customer's expense. Equipment will be returned to Kronos in the same condition as and when received, reasonable wear and tear excepted. If Customer fails to return Equipment within this time period, Kronos shall invoice Customer for the then list price of the Equipment.

8.2 The following additional terms apply only if Customer purchases Equipment from Kronos:

a) Ownership and Warranty Period. Title to the Equipment shall pass to Customer upon delivery to the carrier (FOB – Shipping Point, Prepay and Add). The "Warranty Period" for the Equipment shall be for a period of ninety (90) days from such delivery.
b) Equipment Support. Kronos shall provide to Customer the Equipment support services described in Section 6 above if purchased separately by Customer as indicated on the applicable Order Form. If purchased, Equipment support services shall commence upon expiration of the Warranty Period.

9. SERVICE LEVEL AGREEMENT

Kronos shall: (a) provide basic support for the services at no additional charge, (b) use commercially reasonable efforts to make the services available 24 hours a day, 7 days a week, except for: (i) planned downtime (when it shall give at least 8 hours notice via the services and shall schedule to the extent practicable during the weekend hours from 6:00 p.m. Friday to 3:00 a.m. Monday, eastern time), or (ii) any unavailability caused by circumstances beyond Kronos' reasonable control, including without limitation, acts of god, acts of government, floods, fires, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving Kronos employees), Internet service provider failures or delays, or denial of service attacks, and (iii) provide services in accordance with applicable laws and government regulations..

10. LIMITED WARRANTY; DISCLAIMERS OF WARRANTY

10.1 Kronos represents and warrants that the Services, under normal operation as specified in the Documentation and when used as authorized herein, will perform substantially in accordance with the Documentation during the Term.

10.2 Kronos' obligation and Customer's remedy for any breach of the above warranty is limited to Kronos' reasonable commercial efforts to correct the non-conforming Services at no additional charge to Customer. In the event that Kronos is unable to correct deficiencies in the

Services, after using its commercially reasonable efforts to do so, Customer shall be entitled to terminate the then remaining term of the Order Form for cause in accordance with Section 1 above as Customer's remedy. Kronos' obligations hereunder for breach of warranty are conditioned upon Customer notifying Kronos of the material breach in writing, and providing Kronos with sufficient evidence of such non-conformity to enable Kronos to reproduce and/or verify the same.

10.3 Kronos warrants that all equipment shall be free from defects in materials and workmanship during the warranty period as described in article 8 above. In the event of a breach of this warranty, customer's exclusive remedy shall be Kronos' repair or replacement of the deficient equipment, at Kronos' option, provided that customer's use, installation and maintenance thereof have conformed to the published specifications for such equipment. This warranty is extended to customer only and shall not apply to any equipment (or parts thereof) in the event of:

a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;

b) failure of Customer to provide and maintain a suitable installation environment, as specified in the published specifications for such Equipment; or

c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

EXCEPT AS WARRANTED IN THIS SECTION 10, KRONOS HEREBY DISCLAIMS ALL WARRANTIES, CONDITIONS, GUARANTIES AND REPRESENTATIONS RELATING TO THE SERVICES, EXPRESS AND IMPLIED, ORAL OR IN WRITING, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND WHETHER OR NOT ARISING THROUGH A COURSE OF DEALING. THE SERVICES ARE NOT GUARANTEED TO BE ERROR-FREE OR UNINTERRUPTED. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, KRONOS MAKES NO WARRANTIES OR REPRESENTATIONS CONCERNING THE COMPATIBILITY OF SOFTWARE OR EQUIPMENT OR ANY RESULTS TO BE ACHIEVED THEREFROM. KRONOS PROVIDES NO WARRANTY FOR SUPPLIER HARDWARE OR SOFTWARE EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED ON AN ORDER FORM.

11.0 DATA SECURITY

11.1 As part of the Services, Kronos shall provide administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer data. Customer acknowledges that such safeguards endeavor to mitigate security incidents, but such incidents may not be mitigated entirely or rendered harmless. Customer should consider any particular Kronos supplied security-related safeguard as just one tool to be used as part of Customer's overall security strategy and not a guarantee of security. Both parties agree to comply with all applicable privacy or data protection statutes, rules, or regulations governing the respective activities of the parties under this Section E.

11.2 As between Customer and Kronos, all personally identifiable data contained in any applications or systems supplied by Kronos, or to which Kronos has access to under this Section E ("Personally Identifiable Data") is Customer's Confidential Information and will remain the property of Customer. Customer represents that to the best of its knowledge such Personally Identifiable Data supplied to Kronos is accurate. Customer hereby consents to the use, processing and/or disclosure of Personally Identifiable Data by Kronos and its Suppliers wherever located only for the purposes described herein and only to the extent such use or processing is necessary for Kronos to carry out its duties and responsibilities under this Section E or as required by law.

11.3 Prior to initiation of the Services and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer's industry and which could be imposed on Kronos as a result of provision of the Services. Customer will ensure that: (a) the transfer to Kronos and storage of any Personally Identifiable Data by Kronos or its Supplier's data center, is permitted under applicable data protection laws and regulations; and, (b) Customer will obtain consents from individuals for such transfer and storage to the extent required under applicable laws and regulations.

11.4 Upon the cessation of the Services, Customer shall be afforded the opportunity to retrieve all Personally Identifiable Data in accordance with Section 1.5 above.

12. RESPONSABILITY OF CUSTOMER

12.1 If notified in writing of any action (and all prior related claims) brought against Customer based on a claim that the Services infringe or misappropriate any United States or Canadian copyright or patent, Kronos will indemnify and hold Customer harmless and defend such action at its sole cost and expense and pay all costs including reasonable attorney fees and damages resulting from such claim. Kronos will have sole control of the defense of any such action and all negotiations for its settlement or compromise. Customer will cooperate fully at Kronos' expense with Kronos in the defense, settlement or compromise of any such action. In the event that a final injunction is obtained against Customer's use of the Services by reason of infringement or misappropriation of a United States or Canadian copyright or patent, or if in Kronos' opinion, the Services are likely to become the subject of a successful claim of such infringement or misappropriation, Kronos, at Kronos' option and expense, will use commercially reasonable efforts to (a) procure for Customer the right to continue using the Services as provided in the Agreement, (b) replace or modify the Services so that they become non-infringing but remains substantively similar to the affected Services, and if neither (a) or (b) is commercially feasible, to (c) terminate the Agreement and the rights granted hereunder after provision of a refund to Customer of the set-up fees and Monthly Service Fees paid by Customer for the infringing elements of the Services covering the period of their unavailability.

12.2 Kronos shall have no liability to indemnify or defend Customer to the extent the alleged infringement is based on: (a) a modification of the Services by anyone other than Kronos; (b) use of the Services other than in accordance with the Documentation or as authorized by the Agreement; (c) use of the Services in conjunction with any data, equipment, service or software not provided by Kronos, where the Services would not otherwise itself be infringing or the subject of the claim; or (d) use of the Services by Customer other than in accordance with the terms of the Agreement. Notwithstanding the foregoing, with regard to infringement claims based upon software created or provided by a licensor to Kronos or Suppliers, Kronos' maximum liability will be to assign to Customer Kronos' or Supplier's recovery rights with respect to such infringement claims, (provided that Kronos and/or its Supplier shall use commercially reasonable efforts at Customer's cost to assist Customer in seeking such recovery from such licensor).

12.3 Customer shall be responsible for all cost and expense and pay all costs, including reasonable attorney's fees and damages of Kronos or its

Suppliers, if the action is arising from or relating to: (a) employment-related claims arising out of Customer's configuration of the Services; (b) Customer's modification or combination of the Services with other services, software or equipment not furnished by Kronos, provided that such Customer modification and/or combination is the cause of such infringement and was not authorized by Kronos; or, (c) a claim that the Customer Content infringes in any manner any intellectual property right of any third party, or any of the Customer Content contains any material or information that is obscene, defamatory, libelous, or slanderous violates any person's right of publicity, privacy or personality, or has otherwise caused or resulted in any tort, injury, damage or harm to any other person. Customer will have sole control of the defense of any such action and all negotiations for its settlement or compromise. Kronos will cooperate fully at Customer's expense with Customer in the defense, settlement or compromise of any such action.

13. LIMITATION OF LIABILITY

13.1 EXCEPT AS SPECIFICALLY PROVIDED WITHIN THIS AGREEMENT, KRONOS AND ITS SUPPLIERS WILL NOT BE LIABLE FOR ANY INJURIES CAUSED BY THE USE OF THE SERVICES OR BY ANY ERRORS, DELAYS, INTERRUPTIONS IN TRANSMISSION, OR FAILURES OF THE SERVICES.

13.2 EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 12 ABOVE, THE TOTAL AGGREGATE LIABILITY OF KRONOS OR ITS SUPPLIERS TO CUSTOMER AND/OR ANY THIRD PARTY IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED TO DIRECT DAMAGES PROVEN BY CUSTOMER, SUCH DIRECT DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE TOTAL NET PAYMENTS RECEIVED BY KRONOS FOR THE SERVICES IN THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE DATE IN WHICH THE CLAIM ARISES.

13.3 IN NO EVENT SHALL KRONOS OR ITS SUPPLIERS, THEIR AFFILIATES, SERVICE PROVIDERS, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, LOST DATA OR COST OF PROCUREMENT OF SUBSTITUTE SERVICES RESULTING FROM DELAYS, NONDELIVERIES, MISDELIVERIES OR SERVICES INTERRUPTION, HOWEVER CAUSED, ARISING FROM OR RELATED TO THE SERVICES OR THIS AGREEMENT, REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, WHETHER BREACH OF WARRANTY, INDEMNIFICATION, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, AND WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT OR OTHERWISE, AND REGARDLESS OF WHETHER KRONOS OR SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LIABILITY, LOSS OR DAMAGE.

13.4 EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY, INCLUDING SUCH LIABILITY RELATED TO A BREACH OF DATA SECURITY AND CONFIDENTIALITY OBLIGATIONS, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT, SOFTWARE OR SYSTEMS, OR MACHINE ERROR

EXHIBIT B

KRONOS Order Form No. 427580-1

KRONOS

EXHIBIT B

ORDER FORM

Quote#: 427580 - 1
Expires: 21-NOV-2014
Prepared By: Lyle, Brenda Green

Order Type: Standard US
Date: 03-NOV-2014

Bill To: CITY OF GLENDALE - FIRE DEPARTMENT
6829 58TH DRIVE
GLENDALE
AZ 85301
United States

Solution ID: 6118620

Ship To: Attn:CHRIS DECHANT
CITY OF GLENDALE - FIRE DEPARTMENT
6829 58TH DRIVE
GLENDALE
AZ 85301
United States

Contact: Chris Dechant
Email: CDechant@GLENDALEAZ.com

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
CONTACT
Chris Dechant
623-764-1013
CDechant@GLENDALEAZ.com

This order is subject to the terms and conditions of the Linking Agreement executed currently herewith.

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
WORKFORCE TELESTAFF ENTERPRISE V4	415	
WORKFORCE TELESTAFF GLOBAL ACCESS V4	415	
WORKFORCE TELESTAFF CONTACT MANAGER V4	415	
	Total Price	**$36,312.50**

*Includes applicable software media

SUPPORT SERVICES

Item	Duration	Total Price
PLATINUM SUPPORT SERVICE	1 YR	$9,078.14
	Total Price	**$9,078.14**

*Support values listed above are total for all applicable products in each section of this Order Form

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
PROFESSIONAL SERVICES - ADVANCED CONFIGURATION TELESTAFF	78 Hours	$165.00	$12,870.00
Solution Consultant	78 Hours	$165.00	
PROFESSIONAL SERVICES - BASE DEPLOYMENT TELESTAFF	94 Hours	$165.00	$15,510.00
Application Consultant	94 Hours	$165.00	
PROFESSIONAL SERVICES - TECHNICAL SERVICES TELESTAFF	8 Hours	$215.00	$1,720.00
Technology Consultant	8 Hours	$215.00	
		Total Price	**$30,100.00**

QUOTE SUMMARY

Description	Total Price
Subtotal	$75,490.64
Deposit	($0.00)
Tax	$3,894.52
Grand Total	$79,385.16

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html.Shipping and handling charges will be reflected on the final invoice.

EXHIBIT C

Services Scope Statement, Glendale Fire and Life Safety, New Workforce Telestaff Implementation

KRONOS

Exhibit C

Services Scope Statement

Glendale Fire and Life Safety

New Workforce TeleStaff Implementation

Sales Executive	Celeste Patzold	Presales Consultant	
Expiration Date	10/22/2014	Service Portfolio Consultant	Howard Stohlman
Customer Name	Glendale Fire and Life Safety	File Name Control ID	2014-6129
SSS Create Date	4/16/2014	Revision #	3
Project Type	Net New	Status	Approved

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CONFIDENTIAL - Not to be disclosed to third parties without specific written consent from Kronos.

1. PROJECT SCOPE

This Services Scope Statement (also known as the "SSS") documents the agreement between Kronos Incorporated and Glendale Fire and Life Safety concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1. PROJECT OVERVIEW

Workforce TeleStaff Solution

1.2. PRODUCT SUMMARY

The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version
Workforce TeleStaff Enterprise	New	4.x
Workforce TeleStaff Global Access	New	4.x
Workforce TeleStaff Contact Manager	New	4.x

1.3. PROJECT DURATION

Depending upon Glendale Fire and Life Safety resource availability and project task capability, the duration of the project may need to be extended. This will increase the number of hours required for tasks that are performed on a weekly basis such as managing project communications, managing/updating project plans, facilitating project meetings and updating project status reports.

Estimated Duration of Project - TeleStaff	28 weeks

1.4. PROJECT ASSUMPTIONS

1. The project will be remotely delivered. If the customer requests on-site presence a change order will be required.
2. Customer is responsible for travel expense.
3. Kronos will provide an estimate and obtain authorization from the City prior to consultants incurring travel expenses.

2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and Glendale Fire and Life Safety will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

http://www.kronos.com/professionalservicesengagementpolicies.aspx

2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to Glendale Fire and Life Safety for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, Glendale Fire and Life Safety should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, Glendale Fire and Life Safety will then have an additional five (5) business days to report that all errors have been resolved and provide deliverable acceptance.

2.3. ENGAGEMENT RECOMMENDATIONS

Glendale Fire and Life Safety is responsible for developing their workforce management policies and for documenting and disseminating business procedures and policy changes to support the Kronos system prior to Kronos implementing the policies. The Glendale Fire and Life Safety Project Team will attend appropriate Kronos training prior to and while participating in the implementation. Glendale Fire and Life Safety understands that Kronos recommends setup of both a DEVELOPMENT and PRODUCTION environment.

Commitment from Glendale Fire and Life Safety upper management is crucial to the success of the project. Kronos assumes Glendale Fire and Life Safety will assign a Project Executive Sponsor. The Executive Sponsor is responsible for implementing the necessary change management for Glendale Fire and Life Safety to embrace using an automated Workforce Management system and for ensuring the Project Team is appropriately staffed, made available and is executing their tasks according to the Project Plan.

3. PROJECT MANAGEMENT

3.1. PROJECT PLANNING AND MANAGEMENT

Kronos will deliver a customer implementation guide, a project workbook or checklist and facilitate periodic status meetings.

Project Management Description	
Remotely Delivered Project Support Services / TeleStaff	Included

4. IMPLEMENTATION METHODOLOGY PHASES

4.1. SOLUTION ASSESSMENT AND DESIGN

During this phase of the project, Kronos assists Glendale Fire and Life Safety with ensuring all applicable requirements and Solution Design documents for the implementation of the product(s) are understood and completed.

Customer's Commitment

Prior to this phase of the project, Glendale Fire and Life Safety shall arrange for acquisition and setup of necessary system hardware and establish internet connectivity at the server(s). Glendale Fire and Life Safety shall also arrange for installation and network testing of the Timekeeper terminals, if purchased. In addition to completing the requisite Kronos training, the Glendale Fire and Life Safety Project Manager shall ensure that all internal resources are coordinated and scheduled to participate in each assessment per their domain expertise or role as a decision maker. Also during this phase, the Glendale Fire and Life Safety Project Manager shall begin to develop testing and education plans.

4.2. SOLUTION BUILD

During this phase of the project, Kronos and Glendale Fire and Life Safety jointly build the solution per the in-scope application building blocks. In addition, Kronos guides Glendale Fire and Life Safety to perform configuration unit testing to validate the rules against the solution design.

Customer's Commitment

During this phase of the project Glendale Fire and Life Safety will provide access and security to the applicable network and servers and dedicate or make available, appropriate resources with the necessary domain experience. It may be necessary for the Glendale Fire and Life Safety Project Manager to provide communication and access to a Third Party Software vendor during the build and testing of integration components or custom attributes.

4.3. SOLUTION TESTING AND DEPLOYMENT

During this phase of the project Kronos supports the Glendale Fire and Life Safety project team with testing to the Design document, resolving all critical open issues as well as deployment planning and support.

Customer's Commitment

During this phase of the project Glendale Fire and Life Safety will finalize the test plan to support unit, integration and operational testing; complete test case scenarios in the testing checklist; dedicate or make available on an as-needed basis, appropriate resources to test the product(s), ensuring representatives from all affected user communities participate in the test cycle. Glendale Fire and Life Safety will also coordinate testing with other vendors, and if applicable, test and validate the data transfer from Kronos to other vendors. Glendale Fire and Life Safety testing team will utilize the testing checklist for unit and parallel testing and maintain the workbook as needed until testing is complete. Glendale Fire and Life Safety will also write operational procedures and train user as needed for a successful deployment.

5. PROJECT SCOPE DETAIL

5.1. APPLICATION BUILDING BLOCKS

Technology Factors	
Total number of environments	1
The database platform will be	SQL Server

Workforce TeleStaff Enterprise	
This product will be implemented in phase	1
Number of Employees within Scope	415

Workforce TeleStaff Enterprise Standard Deployment			
The database platform will be			SQL Server
Total number of environments			1
Number of Sites (facilities, locations, etc.)			1
Distinct Implementations	**Size**	**# of Divisions**	**Division Names**
Fire	415	2	Administration, Operations, EMS
Distinct Implementations: 1	415	2	

Workforce TeleStaff Enterprise Standard Deployment Professional Services Scope
• Lead Application Configuration Assessment for organizational structure review; Lead up to 5 deployment sessions for: Authorities, Ranks, Shifts, Specialties, Work codes, Work code business rules, Roster Views; Remote Project Support • 2 Divisions • Lead Technical Assessment Readiness Call; Application Install • Global Access Standard Deployment • Contact Manager Standard Deployment • Education Strategy Guidance • Standard Testing Guidance • Train-the-Trainer Workshop • Deployment Planning and Go-Live Support

Workforce TeleStaff Enterprise Advanced Deployment			
Number of Sites (facilities, locations, etc.)			1
Distinct Implementations	Size	# of Divisions	Division Names
Fire	415	1	EMS & Operations
Distinct Implementations: 1	415	1	

Workforce TeleStaff Enterprise Advanced Deployment Professional Services Scope
• Lead Application Configuration Assessment; Configure: Minimum counts, staffing alarms, vacancy rules & strategies • 1 Divisions

6. PROJECT COSTS AND RATE SCHEDULES

All estimates are quoted in USD per the Mohave Purchasing Contract

6.1. PROFESSIONAL SERVICES - BY ROLE

Role	Quantity	Unit of Measure	Part Number	Rate	Total
Solution Consultant	78	HR	9990059-PRO	$165.00	$12,870.00
Application Consultant	94	HR	9990056-PRO	$165.00	$15,510.00
Technology Consultant	8	HR	9990079-PRO	$215.00	$1,720.00
Totals:	180				$30,100.00

6.2. SOLUTION SUMMARY

Service Type	Estimated Cost
Professional Services	$30,100.00
Total Estimated Investment	$30,100.00

APPENDIX A

1.1. ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

http://www.kronos.com/professionalservicesengagementpolicies.aspx

File #: 14-429, **Version:** 1

AUTHORIZATION TO ENTER INTO AN AGREEMENT SUBSTANTIALLY IN THE FORM ATTACHED TO THE COUNCIL REPORT WITH STRENGTH TRAINING INCORPORATED FOR OCCUPATIONAL HEALTH MEDICAL SERVICES

Staff Contact: Mark Burdick, Fire Chief

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into an agreement with Strength Training, Inc. (STI) for Medical Occupational Health Services at Glendale Health Center for an initial two year term in an amount not to exceed $173,833.00 annually. This request also authorizes the City Manager, at her discretion, to renew the agreement for an additional three years in one-year increments.

Background

The Glendale Health Center is located at the Glendale Regional Public Safety Training Center (GRPSTC). Since its inception in 2009, the Glendale Health Center's original Intergovernmental Agreement (IGA) was with Daisy Mountain Fire District. Within the IGA, the medical providers were STI and Scottsdale Health Care. The medical providers currently are responsible for annual public safety physicals and functional movement screening to most of the west valley fire departments, as well as Glendale Police Department Special Weapons and Tactics (SWAT), and Explosive Ordinance Disposal Officers. The Health Center also provides medical services for work-related injuries, commercial driver's license physicals, drug screening, and new hire physicals.

The IGA with Daisy Mountain Fire District expired in 2013 and a temporary contract with STI was approved by Council, until the Request for Proposal (RFP) 14-07 process could be completed. This was done via a special procurement that does not require the formal purchase procedures as authorized by GCC 2-145 (g).

This temporary contract allowed the Glendale Health Center to continue to provide medical services without impact to its current users.

Analysis

In May 2014, an RFP was issued to solicit a medical provider for the Glendale Health Center. The city received responses from STI and Scottsdale Health Care. With the assistance and oversight of Materials Management, a committee was formed that was comprised of representatives from Human Resource, Glendale Fire and Glendale Police labor, the Health Center Deputy Chief, and one member from three outside partner fire agencies (Avondale, Daisy Mountain Fire District and Surprise). Evaluation criteria were based on experience or service and professional effort, compliance with specifications, fee structure, and references. After final scoring, the evaluation committee determined that STI would be recommended for award of a contract.

The initial term of the contract shall be two (2) years, upon approval by the City Council, beginning on January 1, 2015. The City may, at its option and with the approval of the Contractor, extend the term of the agreement three (3) additional years in one (1) year increments based on satisfactory Contractor and Sub-contractor performance. The City Manager or designee is authorized to execute any and all documents required to extend the contract.

This agreement will allow the City to continue to provide occupational health and medical health, as well as the addition of urgent and wellness care to its employees and other outside government agencies. The contractor will be required to pay a $7,500/month fee for use of the Health Center which will provide revenue to maintain the equipment, as well as save for any future medical equipment needs thus reducing the budget impact. The revenue generated from this lease will be deposited into the Health Center Revenue Fund.

Previous Related Council Action

On April 24, 2014, Council approved an amendment for an extension of term to the agreement Contract No. C -8527-1 with STI.

On June 28, 2013, Council approved a temporary Contract No. C-8527 with STI.

On January 27, 2009, Council approved an IGA C-6764 between Daisy Mountain and Glendale Fire for the administration of the Health Center.

Community Benefit/Public Involvement

Public safety personnel will continue to receive the annual medical healthcare needed that will assist them with protecting the health and safety of Glendale citizens and visitors. This annual screening has identified several potential catastrophic medical issues before they could manifest themselves.

The addition of urgent and wellness care for all city employees could potentially reduce loss time at work, improve general health, and possibly improve employee morale and productivity.

Budget and Financial Impacts

Each City department has budgeted funds for required occupational medical needs. The contractor is required to pay $7,500/month for a total revenue of $90,000.

Cost	Fund-Department-Account
$173,833	1000-12433-513000 - Fire Resource Management physicals

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

C-_____

AGREEMENT FOR
OCCUPATIONAL AND MEDICAL HEALTH SERVICES
AND LICENSE AND USE AGREEMENT FOR GLENDALE REGIONAL HEALTH CENTER

RFP No. 14-07

This Agreement for Occupational Health and Medical Health Services and License and Use Agreement for Glendale Regional Health Center ("Agreement") is entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and STRENGTH TRAINING, INC. ("STI" or "Contractor"), an Arizona Corporation, as of the _____ day of _____, 2014 to be effective January 1, 2015 ("Effective Date").

RECITALS

A. City operates the Glendale Regional Public Safety Training Center ("GRPSTC") located at 11550 West Glendale Avenue, which includes approximately 6,000 square feet of space for operation of the Glendale Regional Health Center ("Health Center" or "Premises") under the direction of the Glendale Fire Department and Human Resources & Risk Management Department. The space is depicted on **Map A** ("GRPSTC") **and Map B** ("Health Center Floor Plan"), which are attached hereto and incorporated by this reference; and

B. City seeks to obtain occupational health and medical health services, urgent and wellness care, as described in **Exhibit A,** Request For Proposal 14-07 ("RFP") and Contractor Response ("collectively Occupational Health and Medical Services" or "Project"), attached hereto and incorporated by this reference, at the Health Center for City employees, personnel of any public safety agency in the State of Arizona, including personnel of any fire district and/or tribal jurisdiction, and any other public entities in the state of Arizona; and

C. STI is qualified and able to provide Occupational Health and Medical Services and City desires to retain STI's services; and

D. City and STI desire for STI to use the Premises to provide Occupational Health and Medical Services; and

E. 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. Purpose.

1.1 The Health Center is intended to provide occupational medical services, health and wellness medical services and programs, first aid treatment, pre-hire physical examinations, annual physical evaluations and examinations, functional capacity evaluations, hearing and vision testing, respiratory evaluations, Drug and Alcohol testing, Department of Transportation (DOT) physicals, rehabilitation and educational services, sick care and urgent care services, as applicable, to City employees, and personnel of any public safety agency in the State of Arizona, including personnel of other cities, towns, fire district and/or tribal jurisdiction (collectively "Public Agencies").

1.2 The Fire Service Joint Labor Management Wellness/Fitness Initiative is a historic partnership between the International Association of Fire Chiefs (IAFC) and the International Association of Firefighters (IAFF) to improve the wellness of fire department personnel. This initiative has been used as a guide to formulate a department's Wellness/Fitness Program. The Wellness/Fitness Initiative complies with both the NFPA Standards and OSHA regulation.

1.3 Consistent with the Initiative, the purpose of this Agreement is to help ensure that public safety personnel receive certain health care services and education on health, wellness, exposure to both hazardous and infectious materials and safety issues faced by firefighters and police officers throughout their careers.

1.4 When employees are injured they are referred to the Health Center for first aid treatment, initial visit for industrial injuries and follow-up, and when necessary, referrals to specialists.

1.5 The Health Clinic provides access to medical health services, including sick care, urgent care and occupational health, pre-hire physical examinations, annual physical evaluations and examinations, hearing and visions testing, Drug and Alcohol testing, Department of Transportation (DOT) physicals, rehabilitation and educational services at the Health Center in compliance with NFPA 1582 2007 Edition, OSHA 1910-145 Respiratory Protection, Department of Transportation (DOT), Federal Motor Carrier Safety Administration (FMCSA) and OSHA Regulations , as more fully described herein.

2. Facility License and Use Fee.

2.1 The City hereby licenses to Contractor the Premises consisting of approximately 6,000 square feet as depicted on **Map B** for the Term set forth in this Agreement for payment of a Use Fee equal to Seven Thousand Five Hundred Dollars ($7,500.00) per month payable on the first day of each month of the Term beginning January 1, 2015, subject to the Contractor's performance of its obligation under this Agreement. Contractor shall remit payment of the $7,500 to City on the first day of each month beginning January 1, 2015 to the following address:

Customer Service
City of Glendale
5850 West Glendale Avenue
Glendale, AZ 85301

If Contractor fails to pay any monthly fee in full on or before the 5h (fifth) day following the due date, the unpaid amount will accrue interest at a rate of 18% per annum or the statutory rate, whichever is less, from the due date until payment is made in full. The City's acceptance of any monies from Contractor is not an admission of the sufficiency of the amount of the payment, and the City reserves all legal rights to question the accuracy of Contractor's payments.

2.2 Effective Date & Duration. The License commences upon the Effective Date and continues for a time period consistent with the Term identified below, including any extensions or renewals.

2.3 Use Restrictions. Contractor is granted the right during any Term to occupy and use the Premises only to provide Occupational Health and Medical Services pursuant to this Agreement. Contractor shall not use or permit others to use the Premises for any purposes other than as expressly permitted herein.

2.4 No Warranties by City. City licenses the Premises to Contractor in its current condition, "as is," with no representation or warranty by the City as to the quality, condition or suitability of use, and without any liability or obligation on the part of the City of making any alterations, improvements or repairs of any kind on or about the Premises.

2.5 Maintenance and Repair. During the Term, Contractor at it sole cost and expense shall keep and maintain the Premises in a neat, clean condition, clear of all obstructions or refuse of any kind

2.6 Alterations and Modifications. Contractor shall not make any alterations or modifications to the Premises without the prior written consent of the City. All City-approved alterations and modifications shall be (i) performed and completed in a good, workmanlike manner at the sole cost and expense of Licensee; (ii) completed in compliance with all applicable laws, ordinances, codes, rules, regulations, and/or orders; and (iii) shall become a part of the Property, and any title shall vest in and be retained by City. Contractor shall, at its sole expense, construct all improvements in compliance with the Americans with Disabilities Act (ADA), as amended from time to time, including City amendments.

2.7 Right of Access/Inspection. The City reserves the right to control and manage the GRPSTC, including the Premises, and to enforce all necessary and proper rules for its management and operation. Contractor agrees to permit authorized City employees or agents to enter the Premises, with the exception of any HIPAA protected areas or areas containing medical records or any other

information protected by law ("Protected Areas"). If access is needed into Protected Areas for cleaning, repairs, etc., advance notice will be given to the Contractor to allow Contractor to secure all patient charts and other confidential records in the locking storage cabinets. A member of the Contractor's staff must remain present with the City employee or agent until work is completed.

2.8 City Obligations.

a. City shall maintain the Premises in good condition and repair, reasonable wear and tear excepted. City shall provide general house lighting, heating, air conditioning, water, sanitation, custodial service and certain furniture, fixtures and equipment as described on **Exhibit B** ("Equipment"). City is not obligated to provide computers or copiers. The City will provide annual fire inspections per the Arizona Department of Health Service requirements.

b. Security. The City assumes no obligation to provide security for the Premises, other than the security personnel in place for the GRPSTC. Any additional security or other protective service desired by the Contractor other than normal security provided by City for the GRPSTC facility, must be arranged for by special agreement with the City and the Contractor is responsible for all costs connected with any additional services.

c. Property Liability. The City assumes no responsibility whatsoever and has no obligation to reimburse the Contractor for any property, fixtures, equipment or other personal property placed by the Contractor in the Health Center. The Contractor expressly releases and discharges the City from any and all liabilities for any loss, injury or damages to property which may or do arise out of or be related to the use of the Health Center under the Agreement.

d. The City assumes no responsibility for personal items, equipment or other items that remain in the Premises after the expiration of the Agreement.

2.9 The Contractor is responsible for all damage, except normal wear and tear, to the Health Center facilities that occur in connection with Contractor's services pursuant to this Agreement, including but not limited to those caused by Contractor and its employees, agents, sub-contractors, invitees, and guests. The Contractor shall take all precautions to maintain the Premises in good repair and restore and return the Premises back to the City upon termination of the Agreement in as good condition as it was provided to the Contractor, ordinary wear excepted. If the Contractor does not maintain the Premises as required by the Agreement, the City may do all things necessary to restore the Premises to the prior condition with all costs being charged to the Contractor. The Contractor shall purchase replacement medical equipment when needed, this does not include the major medical equipment the City will maintain as listed in section 3.1 below.

3. Medical Equipment.

3.1 City shall provide medical equipment described on **Exhibit B** ("Equipment"), including a Spirometer for testing lung capacity, a hearing test booth, a Titmus vision test machine, digital x-ray machine, two treadmills with stress test equipment and EKG machines. The City will provide annual preventative maintenance on the two treadmills with stress test equipment and EKG machine, the Spirometer, and the x-ray machine, along with annual calibration of the Spirometer and hearing booth. Calibration information will be provided to the Contractor for their records. Blood samples may be sent to the Contractor's contracted medical laboratory for analysis and x-rays may be sent to an outside radiologist for interpretation.

3.2. The Contractor is responsible for all damage, including normal wear and tear, to the Equipment that occur in connection with Contractor's services pursuant to Agreement, including but not limited to those caused by Contractor and its employees, agents, sub-contractors, invitees, and guests. The Contractor shall take all precautions to maintain the Equipment in good repair and restore and return the Equipment back to the City upon termination of the Agreement in as good condition as it was provided to the Contractor. If the Contractor does not maintain the Equipment as required by the Agreement, the City may do all things necessary to restore the Equipment to the prior condition, including if necessary replacement of the Equipment, with all costs being charged to the Contractor. The Contractor shall purchase replacement medical equipment when needed.

4. Services by Contractor.

4.1 Contractor shall provide all services in a timely and efficient manner consistent with RFP requirements and Administrative Procedures, 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 or consultants, retained by City. The parties agree to work together to develop mutually-agreeable Administrative Procedures prior to Contractor providing any services under this Agreement. In the event the parties cannot agree on any provision in the Administrative Procedures, the City shall make the final determination. Changes to the Administrative Procedures may be agreed to by City staff, without an amendment to this Agreement. The services listed in Section 4.3, Medical Exams, are the minimum services Contractor must provide. The parties may amend, change, add or remove services, as may be mutually-agreed to in writing by the parties.

4.2 Hours of Operation. The Contractor shall maintain Health Center hours of operation as follows: Monday through Friday 7:30 a.m. to 5:30 p.m. (City holidays excepted) and all services provided by STI or its subcontractors shall occur during these hours of operation, unless otherwise agreed to in writing by the City and STI.

4.3 Medical Exams.

a. **Firefighters (includes new firefighter pre-employment).** Contractor shall provide comprehensive medical examinations that shall include at least the following:

(1) Health Survey

(2) Physical examination

(3) Blood analysis consisting of CBC, Chem. 22, lipid panel, and Hepatitis C

(4) PSA for males .40 years of age

(5) Urine dipstick with reflux urinalysis

(6) Spirometry

(7) Hearing evaluation (done in an ANSI-approved soundproof booth)

(8) Visual acuity evaluation

(9) Body fat assessment (using calipers or analyzer) and body weight

(6) Stress test (treadmill) Fire performs the Davis-Gerkin Protocol and PD performs the Bruce Protocol or as indicated

(10) Chest X-ray (done every five (5) years or annually if TB positive or new hire or as indicated by clinical conditions)

(11) Functional movement screening

(12) Review of immunization history

(13) Up to 30 minute consult with physician or physician to discuss physical examination and health survey

(14) TB skin test (optional; additional cost would apply)

(15) Tiered Medical Evaluation (optional)

b. **Non-sworn EMS personnel and retirees.** Public Fire Departments, Fire Districts and/or Tribal Jurisdictions may offer annual physicals to their non-sworn EMS personnel and/or retired firefighters Contractor shall provide the same services as for firefighters, as listed in 4.3.a above, with the following exception:

(1) No Functional Movement Screening

(2) No Stress Test – Resting EKG Only

(3) No Chest X-ray

c. **Glendale Police Officer Pre-employment Physicals.** For Glendale police pre-employment physicals, Contractor shall provide the same services as for firefighters, as listed in 4.3.a, above, with the following exception:

(1) No Functional Movement Screening

d. **SWAT/Bomb/Clandestine Drug Lab.** Police agencies may send their specialty officers for annual physicals due to their use of self-contained breathing apparatus and OSHA respiratory regulations and Contractor shall provide the same services as for firefighters, as listed above in 4.3.a., with the following exceptions:

(1) No Functional Movement Screening

e. **Glendale Police Officer Wellness Exam.** Exams shall be provided consistent with Memorandum of Understanding between City of Glendale and the Glendale Police Officer's Coalition (GPOC).

f. **CDL/DOT physicals.** Contractor shall provide all CDL required drivers medical exams for CDL/DOT Medical Certification Examinations, in accordance with DOT/FMCSA.

g. **New employee physicals (non-public safety).** Contractor shall provide the City's new employee hires, which have a lifting requirement as part of the essential function of their job, a pre-employment physical.

h. **Drug/Alcohol Screening.** The City of Glendale's Drug and Alcohol Policy was established to comply with the Drug Free Workplace Act of 1988, and the Arizona Medical Marijuana Act (A.R.S. 36-2801), Department of Transportation (DOT) Drug and Alcohol Testing Rule (49CFR Part 40), Federal Motor Carrier Safety Administration (FMCSA) Drug and Alcohol testing Regulations (49 CFR Part 382) and Federal Transit Administration (FTA) Drug and Alcohol Regulations (49 CFR Part 655). In accordance with the DOT -FMCSA and the DOT-FTA mandates, and for NON-DOT, safety-sensitive employees and other covered personnel in order to maintain a drug free work environment, the Contractor will conduct the following categories of tests: Contractor agrees to provide additional testing that may be required as specified in the governing Memorandum of Understanding for represented employees or Arizona Peace Officer Standards and Training Board (AZPOST) in accordance with the Arizona Administrative Code, Title 13, Public Safety.

a. Pre-employment

b. Random

c. Reasonable suspicion

d. Post-accident

e. Return to duty

f. Follow up

The Breath Alcohol Test (BAT) shall be administered in accordance with state and federal regulations for DOT Drug and Alcohol Testing Rule- FMCSA and DOT- FTA, for determining blood/alcohol levels. For NON-DOT, safety-sensitive employees and other covered personnel, the Saliva Alcohol Test (SAT) shall be administered. (If SAT testing is not available, BAT shall be utilized).

The Urine Sample Test will be utilized in accordance with federal regulations for DOT-FMCSA, DOT-FTA, and for NON-DOT safety-sensitive employees and other covered personnel. The Oral Fluid Drug Test shall be utilized (if Oral Fluid Drug Test is not

available, Urine Sample test shall be utilized) to test for the following drugs (or their metabolites):

a. Marijuana

b. Cocaine

c. Opiates

d. Phencyclidine (PCP)

e. Amphetamines

Contractor will be responsible for randomizing the selection of all City employees' random drug and alcohol testing.

i. **Hearing Conservation and Review of Respiratory Questionnaire**
Contractor will perform annual audiograms for City personnel in the Hearing Conservation Program. Contractor will also provide annual review of the OSHA respiratory questionnaires for all City employees. Contractor will verify that the employee is medically cleared to wear a respirator or, if not medically cleared, Contractor will provide further testing to establish the need to seek specialist care or establish clearance through the additional testing. Contractor will be required to work with and provide City certain testing information results. For City Police Department personnel, results shall be provided to the Glendale Police Department Safety Officer for both hearing and respiratory testing. The Contractor will be required to work with and provide hearing test results to the Glendale Human Resources and Risk Management Department for non-Police personnel.

j. **Functional Capacity Evaluations (FCE).** Contractor shall perform FCE utilizing an in-depth questionnaire to determine other conditions and specific limitations City employee may have, whether directly or indirectly related to the employee's job duties. Contractor shall conduct the FCE utilizing real and simulated workstations to evaluate the abilities of the employee. Prior to conducting a FCE, Contractor shall review the Job Duties Assessment form relating to the employee's position and medical records, if applicable. Contractor shall provide City a detailed report with 5 days of completion of the FCE based on specific questions to address whether or not the employee can perform the essential functions of his or her job with or without an accommodation.

k. **Post Exposure Prophylaxis (PEP)**

1. Contractor will provide a 24-hour hotline for exposed City personnel and employees of other public safety agencies that request such services. This hotline will provide the exposed person with initial counseling and treatment options based on the significance of the exposure.

2. Contractor will conduct baseline blood testing within 10 days of the initial exposure, as well as further counseling and treatment options. It will be the responsibility of the Contractor to contact the exposed person and provide follow-up testing within established guidelines.

3. Contractor will communicate with the Glendale Police Department Safety Officer, Glendale Fire Department Infectious Disease Control Officers, and the Human Resources & Risk Management Department during the post-exposure process. This may include providing test results of source patient.

l. **Urgent Care and Preventive Care**

1. No later than July 1, 2015, Contractor will provide an on-site Urgent Care/Preventive Care Clinic for City employees at the Health Center. Examples of services Contractor shall provide include: sickness care, acute walk-in care; immunization and injections (preventative); basic labs and other tests; and dispensing/prescribing pharmaceuticals (generic if available). At the City's discretion and with the approval of Contractor, Contractor and the City Manager or designee may provide these services to employees of other public entities.

m. **Heart Fit for Duty**

1. Contractor shall provide the Heart Fit for Duty Program ("Program") at the Health Center no later than July 1, 2015, unless otherwise agreed to in writing by the parties. Program is a wellness program operated by Heart Fit for Duty, LLC ("HFFD"), which specializes in the prevention of heart attacks and strokes in the first responder population by focusing on early detection and education of at risk individuals. Program partners with primary care and specialty practitioners by providing additional education and screening resources beyond the minimum standard of care in five major areas: LIPIDS (cholesterol screening and management), Obesity, Hypertension, Diabetes (insulin resistance), and tobacco cessation. Contractor agrees to contract with HFFD to provide their wellness services at the Health Center. The terms will be negotiated between the Contractor and HFFD and Contractor shall not be entitled to any compensation from City in connection with providing the HFFD Program. For purposes of this Agreement, HFFD is a sub-contractor of Contractor for which Contractor is responsible.

n. **Additions of Service**

Additional services may be requested by the City from time to time. Contractor will, upon request, submit a negotiable quotation for the additions. Upon written approval by the City, which approval may require City Council approval, Contractor shall provide such additional service(s).

4.4 Scheduling

a. Contractor shall establish a mutually-agreeable scheduling system for all annual physicals and other services required under this Agreement, which shall comply with requirements of Administrative Procedures. Contractor is responsible for working directly with City and any other participating agency. If the schedule is full during a specific time, the Contractor will need to provide sufficient resources for flexibility for priority services, including but not limited to occupational injuries and drug and alcohol testing, which may be required to be completed during a specific timeframe. Failure to meet schedule requirements will result in penalties set forth in the Administrative Procedures.

4.5 Staffing

a. The Contractor will provide staff willing to dedicate their time and expertise to develop relationships with employees for the care and management of their health needs. The Contractor will provide excellent customer service and knowledgeable caring staff which is vital to the existence of the Health Center.

b. Contractor will provide and manage medical and administrative personnel to provide all services and to meet all obligations under this Agreement, including but not limited to Medical Services, Urgent Care, Occupational Health Medical Services and associated administrative support at the Health Center. Administrative, supervision, and financial responsibility for all medical staff, including contractors and sub-contractors, will be the sole responsibility of Contractor. The Contactor must be able to provide adequate staffing to meet the current and future needs of the Health Center as determined by workload. Contractor's management responsibility includes, but is not limited to, hiring or otherwise retaining, supervising, disciplining, firing, compensating and/or providing benefits, and

other personnel-related matters with respect to the staff, including medical staff, vendors, contractors and sub-contractors.

c. The City and Contractor agree that the Health Center may be staffed, at a minimum, as set forth on **Exhibit C** ("Staffing"), with a combination of full time and part time professionals as necessary to timely and proficiently provide the services required by this Agreement, , and that the staffing levels shall be adjusted from time to time as needed to accomplish the Health Center's purpose and the scope of work in a manner that is timely and meets the standard of care for such services. . At the Effective Date and as a minimum, Contractor shall provide the staff as set forth on **Exhibit C** ("Staffing").

d. City shall have the right to review Contractor's staff, including any employee, independent contractor, or subcontractor employed or contracted by the Contactor to provide services under this Agreement (collectively "Contractor Personnel"). The City shall have final authority to determine whether any Contractor Personnel is permitted to provide services. If the City objects to any Contractor Personnel, then the Contactor shall, upon notice from the City, remove any such individual from performance of services and provide a replacement who meets the qualifications as set forth in RFP 14-07. The City shall have final approval of the replacement staff member.

The City shall have the right to review the qualifications of any employee or independent contractor or subcontractor employed or contracted by the Contactor to provide services as the medical director. The City shall have final authority to accept or object the chosen medical director.

The Contractor certifies that all employees, sub-contractors, agents or others assisting or performing on behalf of the Contractor in the Health Center are knowledgeable in the use and operation of the Health Center equipment and facilities authorized under the Agreement and possess all education and certifications required by any regulatory agency to provide services or perform any obligations under this Agreement.

4.6 **Supplies and Waste Disposal.** Contractor is responsible for the cost and procurement of medical consumables and supplies to perform the services and other obligations under this Agreement. Contractor is also responsible for the disposal of bio-hazardous waste in accordance with applicable laws and regulations.

4.7 **Payment for Services and Billing.** Contractor is responsible for the payment of any and all compensation and fees to employees, contractors and sub-contractors, including medical staff. Contractor will be responsible for billing for all services provided and for collecting fees for medical services rendered, including deductibles and co-pays, as more fully set forth in Section 7, below. Contractor will also be responsible for accounting, managing and disbursing funds as detailed in herein. Contractor will be responsible for maintaining accounting records and reports that are consistent with generally accepted accounting practices and shall make such records and reports available to the City upon request. All services will be billed in accordance with the agreed upon fee schedule and agreed upon Administrative Procedures.

4.8 **Medical Records and Information.** The Contractor is responsible for computers utilized to perform its obligations under this Agreement and will establish a secure network. Any associated costs will be the responsibility of the Contractor. Contractor is responsible for records management, data entry and medical transcriptions. Medical transcriptions must be completed and provided to the City within 24 hours after the visit by the employee. Contractor agrees to maintain the confidentiality of all medical records and files in accordance with all laws, rules and regulations, including HIPAA and protection of personal information. Contractor agrees to maintain all records and files in accordance with the State of Arizona records management and records retention guidelines. All employees, Contractors and Sub-contractors are required to sign a confidentiality agreement, See **Exhibit D**, which is to be maintained by Contractor.

4.9 **Exposure Control Database.** Contractor will track toxic exposure information and integrate this information with annual examinations and other medical records creating a comprehensive database and case management system.

4.10 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors, including medical providers, having substantial experience with the successful furnishing of medical and other services that are equivalent in size, scope, quality, and other criteria as those required from Contractor in this Agreement.

4.11 **Licensing. Contractor warrants that:**

a. Contractor and any employees and Sub-contractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services required under this Agreement ("Approvals"); and

b. Neither Contractor nor any employee or 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 the City in writing within two working days 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 under the Agreement.

c. The Contractor shall be responsible for determining and securing, at his/her expense, any and all licenses and permits that are required by any statute, ordinance, rule or regulation of any regulatory body having jurisdiction in any manner connected with providing services under this Agreement.

4.10 **Compliance.** Contractor shall furnish services 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.

5. Sub-contractors.

5.1 Contractor may engage specific professional, medical, and technical contractors (each a "Sub-contractor") to furnish certain Project services or functions.

5.2 Contractor will remain fully responsible for Sub-contractor's services.

5.3 Sub-contractors must be approved in advance by the City.

5.4 Contractor shall certify by letter that contracts with Sub-contractors have been executed incorporating requirements and standards, including by not limited to insurance, as set forth in this Agreement.

6. Independent Contractor.

6.1 Contractor is the City's independent contractor, not the City's employee, agent, joint venture, or partner. Contractor's employees and subcontractors are under Contractor's exclusive direction and control.

6.2 Liens. Contractor shall hold City harmless from any claims for supplying labor or materials to Contractor in the performance of work required under this Agreement.

7. Billings and Payment.

7.1 Contractor is solely responsible for billing each participating entity or person for services Contractor provides at the Health Center. Contractor shall, and is solely responsible for, collecting applicable co-payments and uncovered costs from each person receiving services from Contractor.

7.2 Contractor is solely responsible for making payments to its employees, contractors, sub-contractors and vendors for all services, administrative support, supplies or materials rendered or utilized according to the terms of this Agreement.

7.3 For services provided to non-City employees, the Contractor will bill and collect the fees for services performed from the participating entity.

7.4 Contractor will charge fees and costs in accordance with RFP 14-07 Price Sheet and Clarifying Response, see **Exhibit E**. Fees or costs for tests and/or services other than those identified in RFP 14-07 may be charged as agreed to in writing by the City and Contractor. If Contractor has more than one fee arrangement, the least costly fee will be billed.

8. Fund Appropriation Contingency.

Contractor understands that the continuation of this Agreement after the close of the City's current fiscal year, which ends on June 30, is subject to City Council appropriation of the necessary expenditures required by this Agreement, including expenditures for the operation of the Health Center.. Should the appropriation required for funding of the GRPSTC, Health Center or this Agreement not be made or not be made in full, the City may terminate this Agreement as of the close of any fiscal year during the term of this Agreement or at the time appropriation or funding for the necessary expenditures is not available.

9. Termination.

9.1 For Convenience. City or Contractor 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 90 days following the date of delivery.

a. Contractor will be equitably compensated for services furnished to City pursuant to this Agreement prior to receipt of the termination notice.

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.

9.2 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 services furnished to the City, 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 of more than $1,000,000 or the amount of this Agreement, whichever is greater.

10. 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.

11. Insurance.

11.1 Requirements. Contractor and any and all Sub-contractors must obtain and maintain the following insurance for the duration of the Agreement ("Required Insurance"):

a. Contractor and Sub-contractors. Contractor, and each Sub-contractor performing work or services or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Contractor's Policies"), until all obligations under this Agreement are completed.

b. Commercial General Liability. Contractor and Subcontractor must at all times carry commercial general liability on an occurrence basis with limits of at least $5,000,000 per occurrence and $5,000,000 annual aggregate for bodily injury and property damage, including products-completed operations and personal and advertising injury and Fire damage legal liability with limits at least $500,000 with coverage as broad as ISO Form CG 00 01.

c. Automobile Liability with coverage as broad as ISO Form CA 00 01 with limits no less than $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. Contractor and Sub-contractors shall provide workers' compensation insurance as required by State of Arizona with statutory limits and Employer's Liability insurance with limits no less than $1,000,000 per accident for bodily injury and disease.

e. Professional Liability (including medical malpractice and errors and omissions) insurance for liability arising out of, or in connection with the performance of all required services under this Agreement with limits no less than $5,000,000 per occurrence and $5,000,000 aggregate. If the policy is written on a claims-made basis, the retroactive date must be shown and must be before the date of the contract. Insurance must be maintained for at least two years after termination of this contract. If coverage is canceled or non-renewed and not replaced with another claims made policy with a retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting coverage" for a minimum of two years after contract termination.

f. If Contractor or Sub-contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained.

g.. Notice of Changes. Contractor and Sub-contractor must provide for not less than 30 days' advance written notice to City Representative of Cancellation or termination of Contractor's or Sub-contractor's Policies.

h. Waiver of Subrogation. Contractor and Sub-contractor hereby grant to City a waiver of any right to subrogation which any insurer of said Contractor or Sub-contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor and Sub-contractor agree to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

i. 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 the Agreement.

j. 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 Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance). Contractor shall require and verify that all Sub-contractors maintain insurance meeting all the requirements stated herein.

k. Additional Insured Status. The City, its officers, officials, employees, and volunteers are to be covered and endorsed as additional insured's on the commercial liability and automobile liability policies.

i. The Contractors and Sub-contractors insurance coverage must be primary. Any insurance or self-insurance policies or programs maintained by City shall be excess of Contractor's or Sub-contractor's insurance and shall not contribute to it.

j. 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. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

11.2 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 the Required Insurance whenever requested.

11.3 Indemnification.

a. Contractor shall indemnity, defend, save and hold harmless the City, and their officers, officials, agents, and employees (hereinafter referred to as "Indemnitees") from and against any and all 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 or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Laws or arising out of the failure of Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court order/decree. It is the specific intention of the parties that the Indemnitees shall, in all instances, except for Claims arising solely from the negligent or willful act or omissions of the Indemnitees, be indemnified by Contractor from any and all Claims. Contractor is responsible for primary loss investigation, defense and judgment costs where this indemnification applies.

b. Contractor is not required to indemnify any Indemnitees for, from, or against any Claims, demand or expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party

12. Performance Surety Requirements.

The performance sureties shall be in the form of a bond, cashier's check, certified check or money order. Personal or company checks are not acceptable unless certified. Letters of credit are not acceptable. Individual sureties are not acceptable.

The Contractor shall, at the time of entering into the contract, furnish a performance surety in the form of a bond, money order or certified or cashier's check, in the amount of *25* percent of the contract amount for the Initial Term guaranteeing the faithful performance of the contract.

If a bond is submitted, it shall be written on the Performance Bond form, see **Exhibit F** provided by the City. The attorney-in-fact who executes the bond on behalf of the surety shall affix to the bond a certified and current copy of the power of attorney. The bond must be written by a surety with a Best Rating no less than an A and must be authorized and licensed to do business in this State by the Arizona Department of Insurance. Individual sureties and letters of credit are not acceptable.

13. Media Releases and Relations

Contractor agrees that the City has primary responsibility for press contact and interaction. Any release of information to the media regarding the Health Center or any of its activities will be coordinated by the Glendale Fire Department ("GFD") Public Information Officer ("Glendale PIO") and Human Resources & Risk Management Department ("HR"), with input from the Contractor. News releases pertaining to the Health Center or any part of the services provided pursuant to this Agreement shall not be made by Contractor without prior written approval of the Glendale PIO. Prior to release, a copy of all public record and media releases regarding the Health Center or its participating agencies and activities shall be forwarded to the Glendale PIO and to Contractor. Contractor will not reveal any investigative information or operational procedures of the Health Center outside the parties except as required by law or competent authority.

14. Immigration Law Compliance.

14.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

14.2 Any breach of warranty under subsection 9.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.

14.3 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 9.1 above.

14.4 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 9.1 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.

14.5 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.

14.6 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.

14.7 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.

15. Notices.

15.1 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); and

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 service 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; and

e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

15.2 Representatives.

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

James ("Jim") Maher
c/o Strength Training, Inc.
17233 N. Holmes Blvd.
Phoenix, Arizona 85053
602-349-2545

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 Fire Chief
6829 North 58th Drive
Glendale, Arizona 85301
623-930-4401

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 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.

16. 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.

17. Entire Agreement; Survival; Counterparts; Signatures.

17.1 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.

17.2 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.

17.3 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.

17.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties, unless otherwise provided herein. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

17.5 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.

17.6 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 deemed reformed to conform to applicable law.

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

18. Term. The initial term of the contract shall be two (2) years upon approval by the City Council beginning on January 1, 2015. The City may, at its option and with the approval of the Contractor, extend the term of

this Agreement three (3) additional years in one (1) year increments based upon satisfactory Contractor and Sub-contractor performance. The City Manager or designee is authorized to execute any and all documents required to extend the contract. Contractor will be notified in writing by the City Materials Manager of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original Agreement period. Price adjustments will be reviewed only during the Agreement renewal period. There are no automatic renewals of this Agreement.

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

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

Exhibit A	Request for Proposal 14-07, Contractor's Response
Exhibit B	Equipment
Exhibit C	Staffing
Exhibit D	Confidentiality Agreement
Exhibit E	Contractor Price Sheet and Clarifying Response
Exhibit F	Performance Bond Form
Exhibit G	Dispute Resolution
Map A	GRPSTC Layout
Map B	Health Center Floor Plan

The parties enter into this Agreement as of the effective 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

STRENGTH TRAINING, INC.
an Arizona corporation

By: James ("Jim") Maher
Its: President

EXHIBIT A

Agreement for Occupational Health and Medical Services

REQUEST FOR PROPOSAL 14-07 AND CONTRACTOR'S RESPONSE

CITY OF GLENDALE
MATERIALS MANAGEMENT
REQUEST FOR PROPOSAL

SOLICITATION NUMBER:	**RFP 14-07**
DESCRIPTION:	**MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER**
OFFER DUE DATE AND TIME:	**MAY 8, 2014, AT 2:00 P.M. LOCAL TIME**
SUBMITTAL LOCATION:	**City of Glendale** **Materials Management** **5850 West Glendale Avenue, Suite 317** **Glendale, Arizona 85301**

Proposals must be in the actual possession of Materials Management on or prior to the time and date, and at the location indicated. Materials Management is located on the 3rd floor of the Glendale Municipal Office Complex (City Hall) behind the Engineering Department. Proposals are accepted from the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, unless otherwise indicated for a holiday. All proposals will be time stamped at the Engineering Department's front counter. Late proposals will not be considered.

Proposals must be submitted in a sealed envelope with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope. **See Paragraph 2.3 for additional instructions for preparing an offer.**

Proposals shall be opened publicly at the time, place and location designated on this page. Only the name of each Offeror shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing Offerors.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

For questions regarding
General Terms and Conditions contact:
Victoria Jackson, CPPB
Contract Analyst
Phone: 623-930-2867
Email: vjackson@glendaleaz.com

1.0 INTRODUCTION – GLENDALE REGIONAL HEALTH CENTER

1.1 The city of Glendale invites sealed proposals for medical/occupational health services at the Glendale Health Center which operates out of the Glendale Regional Public Safety Training Center located at 11550 West Glendale Avenue.

1.2 The city of Glendale Fire Department and various other public safety agencies are parties to an existing automatic aid agreement through the Central Arizona Life Safety Council System. It is the responsibility of the other public safety agencies that utilize this contract to coordinate medical services directly with Contractor.

1.3 The city of Glendale is self-insured for the workers' compensation program. When employees are injured they are referred to the Glendale Health Center for first aid treatment, initial visit for industrial injuries and follow-up, and when necessary, referrals to specialists.

1.4 The city of Glendale seeks to provide access to medical health services, including urgent care and occupational health, pre-hire physical examinations, annual physical evaluations and examinations, hearing and visions testing, Drug and Alcohol testing, Department of Transportation (DOT) physicals, rehabilitation and educational services at the Health Center for city of Glendale employees and public safety personnel of any automatic aid department, city township, district and/or tribal jurisdiction in the state of Arizona.

1.5 The Contractor must be able to provide such medical services, at the Health Center, to include the provision of medical staffing, i.e., physicians, nurses, physician assistants, physical therapists and technicians to provide: (DOT) and Arizona Peace Officer Standards and Training (AZ POST) drug and alcohol screening; hearing and vision testing; Commercial Driver's License (CDL)/(DOT) physicals in accordance with Federal Motor Carrier Safety Administration (FMCSA); pre-employment physical examinations in accordance with OSHA Regulations; annual physical health evaluations and other medical evaluations and examinations on City employees and potential employees; incumbent fire fighters in compliance with NFPA 1582 and OSHA 1910 – 134 Respiratory Protection and police officer in accordance with AZPOST requirements; and on-going rehabilitation and nutrition, health and fitness education.

1.6 Under the current system, medical staffing and support is provided through a contractual arrangement. The purpose of the RFP is to provide an opportunity for interested Contractors to submit proposals for the provision of these services, in addition to adding urgent care services, through a competitive process. The selected Contractor will be expected to begin providing service on or about

September 2, 2014 and the contract period will be for two (2) years with three (3) one-year renewal options, with the contract costs for option years to be negotiated, per the special terms and conditions as outlined herein.

1.7 The goal of the Health Center is to provide health and wellness medical services and programs to all Glendale employees and other city townships, districts and/or tribal jurisdiction in the state of Arizona

The Fire Service Joint Labor Management Wellness/Fitness Initiative is a historic partnership between the International Association of Fire Chiefs (IAFC) and the International Association of Firefighters (IAFF) to improve the wellness of fire department personnel. This initiative has been used as a guide to formulate a department's Wellness/Fitness Program. The Wellness/Fitness Initiative complies with both the NFPA Standards and OSHA regulation.

Consistent with the Initiative, the purpose of this RFP is to help ensure that public safety personnel receive medical health care and education on health, wellness, exposure to both hazardous and infectious materials and safety issues faced by firefighters and police officers throughout their careers. The Health Center schedules annual physicals for field personnel usually by apparatus crew, so that all members working on a particular apparatus can be sent to the Health Center at the same time providing minimal disruption of service delivery. This approach also allows the physicals to be conducted while members are on-duty avoiding overtime costs. Fire physicals are currently scheduled Tuesdays through Thursdays from 8:00 a.m. to noon or 1:00 p.m. to 5:00 p.m. with four slots per 4 hour session.

1.8 The Glendale Health Center has been in operation since 2009, primarily providing annual medical examinations and fitness assessments for firefighters. In 2011, the Glendale Health Center started offering occupational medical services for all city of Glendale employees and any fire agency that wished to use the occupational medical services. In addition, the Health Center also started performing many of the services listed in 1.5 above.

1.9 **INDUSTRIAL INJURY PROGRAM** The Health Center also provides evaluation and treatment of industrial injuries for all city of Glendale employees as well as a few fire agencies. The Health Center medical staff treats patients with minor injuries and refers those with more serious injuries to appropriate specialists. City of Glendale Human Resources & Risk Management oversees the city of Glendale's Industrial Injury Program. The Health Center sees an average of 178 new city of Glendale employee injuries per year.

1.10 **CITY OF GLENDALE HEALTHCARE PROVIDER** The city of Glendale is currently self-insured for its medical benefits and is under an agreement to utilize the network of Blue Cross Blue Shield of Arizona (BCBSAZ). The successful proposer will enter into and maintain an agreement as a medical provider with BCBSAZ. Should the city of Glendale change networks, the successful proposer will enter into and maintain an agreement to be a medical provider with the city of Glendale's new healthcare network provider.

1.10.1 The city of Glendale's current wellness initiatives through BCBSAZ include the following:

1.10.1.1 Influenza Immunization for health plan and first responders.

1.10.1.2 Annual Health and Wellness Fair – wellness contactors and carriers provide information on their services and wellness classes are offered.

1.10.1.3 Health Risk Assessments and education

1.10.1.4 Wellness incentives for participation in the wellness programs are offered annually through a health insurance deduction discount.

1.10.1.5 Mobile on-site mammograms and prostrate screenings.

1.10.1.6 Wellness education sessions, both instructor-led and on-line.

1.10.2 The city of Glendale has approximately 1100 active employees insured through BCBSAZ. There are 2750 active employee dependents insured, under the BCBSAZ Plan with the City; 550 insured retirees, and 400 insured retiree dependents. Additionally, the City has approximately 2,423 total employees covered under the occupational health program; approximately 235 are Fire sworn employees, 380 are Police sworn employees, and 370 are CDL drivers.

1.10.3 Health expenditures and Cost per Insured by fiscal year:

	2009	**2010**	**2011**	**2012**
Health Expenditures	$19,500,000	$19,900,000	$19,600,000	$21,400,000
Number of Insured	5100	5000	4970	4940
Cost per Insured	$4100/year	$4300/year	$4500/year	$4800/year

Worker's Comp. cases (First Aid cases are not included)	191	172	191	176

1.11 **CURRENT STAFFING** A Glendale Fire Department Deputy Chief oversees the Health Center and works with the current provider to meet the needs of the Health Center's internal and external fire departments. To meet the needs of all city employees, the following services are overseen by Human Resources and Risk Management to ensure compliance with the city's programs:

1.11.1 Workers' Compensation
1.11.2 Drug and Alcohol
1.11.3 CDL Medical Certification
1.11.4 OSHA required vision and hearing testing
1.11.5 Pre-employment physicals

The current service contract includes two (2) part-time medical doctors (one serving as director), one full-time physician's assistant, one full-time registered nurse, one full-time certified radiology technician, one medical assistant and one patient care manager. All other services are provided through the current providers system outside of the Health Center. The medical doctor/director currently only works one day of the week and the other physician works 2 other days during the week. A combination of the current staffing works at the Health Center each day based on current workload need. If the services provided increases, it is expected that the Contractor will add additional day(s) depending on the need.

1.12 **FACILITY** The Health Center is operated out of approximately 6,000 square feet of space located in the Glendale Regional Public Safety Training Center at 11550 West Glendale Avenue as generally depicted on **Maps A and B**. The Health Center is open Monday-Friday from 7:30 a.m. to 5:00 p.m. and closed on all city of Glendale observed holidays. All services provided by the Contractor, or its subcontractors, shall occur during these hours of operation, unless otherwise agreed to in writing by the City.

1.13 **MEDICAL EQUIPMENT** The Health Center contains the facilities and testing equipment needed to conduct comprehensive medical examinations. The facility includes: patient waiting area; five exam rooms; specialized testing rooms; a minor trauma room; lab; patient medical records room; offices; work stations; break room and patient and staff restrooms. Major medical equipment includes a Spirometer for testing lung capacity, a hearing test booth, a Titmus vision test

machine, digital x-ray machine, two treadmills with stress test equipment and EKG machines. **See Exhibit A** ("Equipment"). Under the current contract blood samples are sent to the medical provider's contracted medical laboratory for analysis and x-rays are sent to an outside radiologist for interpretation.

1.14 **WORKLOAD** The fiscal year 2012-2013 workload for the Health Center is as follows:

1.14.1 Annual firefighter physicals: 680
1.14.2 Annual non-sworn/retiree physicals: 31
1.14.3 Annual police physicals: 34
1.14.4 CDL/DOT physicals: 168
1.14.5 New employee physicals: 46
1.14.6 Drug/alcohol screens: 211
1.14.7 Hearing conservation: 131
1.14.8 Industrial Injury Evaluations: 190
1.14.9 Industrial Injury Re-checks: 95
1.14.10 Exposure Incidents: 5

2.0 SCOPE OF SERVICES BY CONTRACTOR

2.1 The Contractor will provide all services necessary to assure they are completed timely and efficiently consistent with the proposal requirements, including, but not limited to, working in close interaction and interfacing with the City and its designated employees, and working closely with others, including other contractors or consultants, retained by the City.

2.2 **MEDICAL EXAMS**

2.2.1 **Firefighters (includes new firefighter pre-employment)** The physical examination currently used by the Glendale Health Center is comprehensive and includes the following elements:

- 2.2.1.1 Health Survey
- 2.2.1.2 Physical examination
- 2.2.1.3 Blood analysis consisting of CBC, Chem. 22, Hepatitis C and lipid panel
- 2.2.1.4 PSA for males >40 years of age.
- 2.2.1.5 Urine dipstick with reflux urinalysis
- 2.2.1.6 Spirometry
- 2.2.1.7 Hearing evaluation (in an ANSI-approved soundproof booth)
- 2.2.1.8 Visual acuity evaluation
- 2.2.1.9 Stress test (treadmill) Fire performs the Davis-Gerkin Protocol and PD performs the Bruce Protocol or as indicated.
- 2.2.1.10 Chest x-ray (every 5 years or annually if TB positive or new hire or as indicated by clinical conditions)
- 2.2.1.11 Functional Movement Screening
- 2.2.1.12 Body fat assessment and body weight
- 2.2.1.13 Review of immunization history
- 2.2.1.14 Up to a 30 minute consult with physician to discuss physical examination and health survey.
- 2.2.1.15 TB skin test
- 2.2.1.16 Tiered Medical Evaluation (optional)

2.2.2 **Non-sworn EMS personnel and retirees** Some fire departments may offer annual physicals to their non-sworn personnel and/or retired firefighters. The above elements are offered except:

- 2.2.2.1 No stress test – resting EKG only
- 2.2.2.2 No chest x-ray
- 2.2.2.3 No Functional Movement Screening
- 2.2.2.4 No TB skin test

2.2.3 **SWAT/Bomb/Clan lab/new officer pre-employment physicals for police** Currently Glendale, Peoria and Goodyear Police Departments send their specialty officers in for annual physicals due to their use of self-contained breathing apparatus and OSHA respiratory regulations. The above physical elements listed in 2.2.1 above are performed with the only exceptions:

2.2.3.1 No Functional Movement Screening
2.2.3.2 No TB skin test
2.2.3.3 New hire officers will get a chest x-ray

2.2.4 **CDL/DOT physicals** The city of Glendale sends all CDL required drivers to the clinic for CDL/DOT Medical Certification Examinations, in accordance with DOT/FMCSA.

2.2.5 **New employee physicals (non-public safety)** The city of Glendale sends its new employee hires, which have a lifting requirement as part of the essential function of their job, to the clinic for a pre-employment physical.

2.3 DRUG/ALCOHOL SCREENING

The City of Glendale's Drug and Alcohol Policy was established to comply with the Drug Free Workplace Act of 1988, and the Arizona Medical Marijuana Act (A.R.S. 36-2801), Department of Transportation (DOT) Drug and Alcohol Testing Rule (49CFR Part 40), Federal Motor Carrier Safety Administration (FMCSA) Drug and Alcohol testing Regulations (49 CFR Part 382) and Federal Transit Administration (FTA) Drug and Alcohol Regulations (49 CFR Part 655).
In accordance with the DOT -FMCSA and the DOT-FTA mandates, and for NON-DOT, safety-sensitive employees and other covered personnel in order to maintain a drug free work environment, the City will conduct the following categories of tests:

a. Pre-employment
b. Random
c. Reasonable suspicion
d. Post-accident
e. Return to duty
f. Follow up

The Breath Alcohol Test (BAT) shall be administered in accordance with federal regulations for DOT- FMCSA and DOT- FTA for determining blood/alcohol levels. For NON-DOT, safety-sensitive employees and other covered personnel, the Saliva Alcohol Test (SAT) shall be administered. (If SAT testing is not available, BAT shall be utilized)

The Urine Sample Test will be utilized in accordance with federal regulations for DOT-FMCSA, DOT-FTA, and for NON-DOT safety-sensitive employees and other covered personnel. The Oral Fluid Drug Test shall be utilized (if Oral Fluid Drug Test is not available, Urine Sample test shall be utilized) to test for the following drugs (or their metabolites):

a. Marijuana

b. Cocaine

c. Opiates

d. Phencyclidine (PCP)

e. Amphetamines

Contractor will be responsible for randomizing the selection of all city of Glendale employees' drug and alcohol testing.

2.4 HEARING CONSERVATION AND REVIEW OF RESPIRATORY QUESTIONNAIRE)

The medical provider will perform annual audiograms for Glendale personnel in the Hearing Conservation Program. They will also provide annual review of the OSHA respiratory questionnaires for all city of Glendale employees. The provider will sign off the employee is medically cleared to wear a respirator or, if not medically cleared, they will provide further testing to establish the need to seek specialist care or establish clearance through the additional testing. The medical provider will be required to work with and provide the Police personnel testing information results to the Glendale Police Department Safety Officer for both hearing and respiratory testing. The medical provider will be required to work with and provide hearing testing results to the Glendale Human Resources and Risk Management for non-Police personnel

2.5 FUNCTIONAL CAPACITY EVALUATIONS (FCE)

The FCE should consist of the use of an in-depth questionnaire and is used to determine other conditions and specific limitations the employee may have, whether directly or indirectly related to the employee's job duties and utilizes real and simulated workstations to evaluate the abilities of the employee. If an FCE is to be conducted, the city of Glendale would want the agency to review our Job Duties Assessment form on the employee's position, review medical records if applicable, and provide the city of Glendale with a detailed report based on specific questions to address whether or not the employee can perform the essential functions of his or her job with or without an accommodation.

Other public safety agencies, that currently use the Health Center, may have the same requirements. The selected contactor will need to work with each agency

based on their need and requirements. Some agencies may also require a fitness for duty or return to duty evaluation.

2.6 POST EXPOSURE PROPHYLAXIS (PEP)

The Contractor will need to provide a 24 hour hotline for exposed city of Glendale personnel; this may also include public safety agencies other than city of Glendale personnel. This hotline would provide the exposed employee with initial counseling and treatment options based on the significance of the exposure.

The Contractor will conduct baseline blood testing within 10 days of the initial exposure, as well as further counseling and treatment options. It will be the responsibility of the Contractor to contact the exposed employee and provide follow-up testing within the established guidelines.

The Glendale Police Department Safety Officer and Glendale Fire Department Infectious Disease Control Officers require the medical provider to communicate with them during the post exposure process. This may include providing test results of source patient. After a city of Glendale employee has a confirmed exposure, Human Resources & Risk Management shall also be notified.

The police and fire department's would like to pursue the possibility of the medical provider providing an Infectious Control Officer (ICO) to manage current and future public safety entities that use the Health Center. This would be a 24/7/365 on-call person. Some fire agencies currently use the Phoenix Fire Department to manage their exposures. These agencies are charged for the service. Other agencies may have an internal ICO and manage their own personnel.

2.7 URGENT CARE AND PREVENTIVE CARE

The city of Glendale has a proactive Wellness Program and would like to expand its efforts to include an on-site Urgent Care/Preventive Care Clinic at the Glendale Health Center. This would enable employees to require less time off work when seeking medical attention. The primary focus will be on wellness and health preservation, prevention and control of disease. Examples of services the City would like offered: acute walk-in care; immunization and injections (preventative); run basic labs; and dispensing/prescribing generic pharmaceuticals.

2.8 Heart Fit for Duty™

The Heart Fit for Duty (HFFD) Program specializes in the prevention of heart attacks and strokes in the first responder population by focusing on early detection and education of at risk individuals. HFFD program partners with primary care and specialty practitioners by providing additional education and screening

resources beyond the standard of care in 5 major areas: LIPIDS (cholesterol screening and management), Obesity, Hypertension, Diabetes (insulin resistance), and tobacco cessation. Due to the increased risk of heart-related injury or death for public safety personnel, it is requested that the selected Contractor allow HFFD to provide their services within the Health Center. The terms will be negotiated between the Contractor and Heart Fit for Duty.

2.9 SCHEDULING

The Contractor will be responsible for setting up a scheduling system for all services listed above. Staff will be responsible for working directly with city of Glendale and each agency. Currently scheduling is done through a Microsoft Outlook calendar. If the schedule is full during a specific time, the Contractor will need to allow for flexibility in order to schedule a new hire public safety physical that may be required during that timeframe.

2.10 STAFFING REQUIREMENTS

The City envisions the Health Center will provide staff willing to dedicate their time and expertise to develop relationships with employees for the care and management of their health needs. Excellent customer service and knowledgeable caring staff is vital to the existence of the Health Center.

The Contractor will provide and manage medical and administrative personnel to provide Medical Services, Urgent Care, Occupational Health Services and associated administrative support at the Health Center. The Contactor must be able to provide adequate staffing to meet the current and future needs of the Health Center as determined by workload. At a minimum, the Contractor shall provide the staff as set forth on Exhibit B ("Staffing"). Administrative and financial responsibility for all contract medical staff will be the sole responsibility of the Contractor. The Contractor's management responsibility includes, but is not limited to, contracting with, discipline, hiring, firing, compensation and/or benefits and other personnel-related matters with respect to the medical staff, vendors, contractors and sub-contractors.

The City shall have the right to review the qualifications of any staff, including any employee, independent contractor, or subcontractor employed or contracted by the Contactor to provide services under this proposal (collectively "Contractor Personnel"). The City shall have final authority to determine whether any Contractor Personnel, is permitted to provide services under this proposal. If the City objects to any Contractor Personnel, then the Contactor shall, upon notice from the City, remove any such individual from performances of services and provide a replacement who meets the qualifications set in this Solicitation. The City shall have final approval of the replacement staff member.

The City shall have the right to review the qualifications of any employee or independent contractor or subcontractor employed or contracted by the Contactor to provide services as the medical director. The City shall have final authority to accept or object the chosen medical director.

2.10.1 Minimum Contactor Qualifications

2.10.1.1 Five (5) years or more experience in planning, implementing and managing employer-sponsored on-site health and wellness clinics.

2.10.1.2 Demonstrated experience with planning, implementing and managing local government on-site medical clinics.

2.10.1.3 Experience with clients with 2500+ insured and/or covered lives.

2.10.1.4 Significant experience with occupational health programs, preferably with police and fire sworn employee services. This includes a working knowledge of and experience with the AZPOST, the IAFF/IAFC Wellness Fitness Initiative, NFPA 1582 and OSHA 1910 relating to public safety.

2.10.1.5 Experience, trained and certified in FMCSA-DOT physical qualification standards.

2.10.1.6 Experience with DOT Drug and Alcohol Testing requirements.

2.10.1.7 Experience with OSHA pre-employment and on-going occupational health programs and testing requirements.

2.10.1.8 Experience with State of Arizona worker's compensation regulations and reporting requirements.

2.10.2 Other Requirements

2.10.2.1 Nurse to perform initial triage of all workers' compensation injuries.

2.10.2.2 All City employees coming in for their third occupational injury visit will be seen by the M.D or D.O.

2.10.2.3 Public Safety personnel should be seen by the physician for all annual physicals. These physicals are currently conducted Tuesday through Thursday of each week.

2.10.2.4 If a follow-up with a specialist is required for the city of Glendale employees and other public safety agencies, the provider will assist in getting them an appointment within 24-48 hours.

2.10.2.5 Regular meeting with city of Glendale Human Resources and Risk Management and Public Safety to discuss issues, costs, trends, etc.

2.10.2.6 The following results for occupational visits, including completed and signed chain of custody drug and alcohol forms and test results, work status slips and physician notes to be sent immediately or by the end of the business day to the Glendale Human Resources and Risk Management's confidential fax.

2.11 BILLING AND PAYMENTS

The Contractor will be responsible for the payment of any and all compensation and fees to sub-contractors, including medical staff. Contractor will be responsible for billing for all services provided and for collecting fees for medical services rendered. Contractor will also be responsible for accounting, managing and disbursing funds as detailed herein. Contractor will be responsible for maintaining accounting records and reports that are consistent with generally accepted accounting practices and shall make such records and reports available to the City upon request. Contractor will be responsible for the cost and procurement of medical consumables and supplies and also for the disposal of bio-hazardous waste in accordance with applicable laws and regulations.

For Occupational Health Medical Services provided to public safety personnel agencies, the Contractor will bill and collect the fees for services performed from the participating entity.

The Contractor will charge a base fee for each firefighter physical exam during the Term of the Agreement. Fees for tests and services other than those identified in Section 2.2.1 may be charged as agreed to by the City and Contractor.

All other services will be billed in accordance with the agreed upon fee schedule and agreed upon instructions.

2.12 ELECTRONIC MEDICAL RECORDS/COMPUTER SYSTEMS

It will be the responsibility of the Contractor to provide computers and establish a secure network connection. Any associated costs will be the responsibility of the Contractor.

2.13 FACILITIES USE

2.13.1 **Services Included** All Health Center integrated equipment, chairs, tables, general house lighting, heating, air conditioning, restrooms and custodial service is included within this proposal. This does not include the Contractor's desktop computers.

2.13.2 **Damage To Facilities And Equipment** The Contractor is responsible for damage to the Health Center facilities and equipment as well as any

damage caused by the Contractor's guest, agents or sub-contractors. The Contractor shall take all precautions to maintain the Health Center in good repair and restore and return the Health Center back to the city of Glendale upon termination of the Agreement in as good condition as it was provided to the Contractor, ordinary wear excepted. If the Contractor does not maintain the Health Center as required by the Agreement, the city of Glendale may do all things necessary to restore the Health Center to the prior condition with all costs being charged to the Contractor.

2.13.3 **Medical Equipment Replacement Support/Maintenance** If needed, the Health Center may purchase replacement medical equipment or support through the Contractor at the Contractor's base rate.

2.13.4 **Property Liability** The city of Glendale assumes no responsibility whatsoever for any property placed by the Contractor in the Health Center. The Contractor expressly releases and discharges the city of Glendale from any and all liabilities for any loss, injury or damages to property which may or do arise out of or be related to the use of the Health Center under the Agreement. Any additional security or other protective service desired by the Contractor must be arranged for by special agreement with the city of Glendale and the Contractor is responsible for all costs connected with any additional services.

2.13.5 **Competency Of Personnel** The Contractor certifies that all employees, sub-contractors, agents or others assisting or performing on behalf of the Contractor in the Health Center are knowledgeable in the use and operation of the Health Center equipment and facilities authorized under the Agreement.

2.13.6 **Property Left Behind** The city of Glendale assumes no responsibility for personal items, equipment or other items that remain in the Health Center after the expiration of the Agreement.

2.13.7 **Access** The city of Glendale Fire Department reserves the right to control and manage the Health Center and to enforce all necessary and proper rules for its management and operation. Authorized city of Glendale employees will have free access, at all times, to all spaces occupied by the Contractor, with the exception of the medical records or any other information protected by law. If access is needed into the protected areas for cleaning, repairs, etc., advance notice will need to be given to the Contractor. This will allow the medical staff time to secure all patient charts in the locking storage cabinets. A member of the Contractor's staff

will need to remain in the room with the city employee until work is completed.

2.13.8 **Contractor security access card procedures** All assigned Contractor employees will be issued an access card for access to the city facility to which they are assigned. The Contractor will provide, to the Health Center Deputy Chief, the names and job titles of each employee assigned to the Health Center. The Deputy Chief will submit a request for the access cards. Once access cards are received from the City of Glendale Security Office, each employee will be required to sign the COG Security Card Issue form.

2.13.8.1 **Stolen or Lost Access Cards** Contractor shall immediately report lost or stolen access cards to the COG Security Services Coordinator at (623) 930-3056. A new Security Card Issue form shall be completed and submitted prior to issuance of a new access card.

2.13.8.2 **Return of Access Cards** All access cards are the property of the City of Glendale and must be returned to the Health Center Deputy Chief within one (1) business day of when the Contractor's employee access to a City facility is no longer required to furnish the services under this Agreement. Contractor shall collect an employee's access card upon termination of the employee's employment; when the employees services are no longer required at the particular City facility; or upon termination, cancellation or expiration of this Agreement.

2.14 **FACILITY LEASE**

The city of Glendale Fire Department will charge the Contractor a monthly lease amount of $1.25 per square foot, or $7,500 per month. The lease will help offset medical equipment maintenance and repairs; Health Center wear-and-tear; as well as provide funding for any future medical equipment replacement needs.

3.0 SPECIAL TERMS AND CONDITIONS

3.1 INCORPORATION BY REFERENCE All responses shall incorporate by reference the Scope/Specifications, terms and conditions, general instructions and conditions and any attachments. The Standard Terms and Conditions applicable to this solicitation are posted on the Internet. They are available for review and download at the City's Materials Management Internet home page, www.glendaleaz.com/purchasing. Offerors are advised to review all provisions of the General Instructions and Conditions for this solicitation.

3.2 RETURN OF OFFER **One (1) hard copy marked as "original", one (1) CD-ROM or flash drive containing all original documents in native Microsoft Word or Excel (PDF format will be acceptable), five (5) copies marked as copies.** The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. **The sections of the submittal should be tabbed, clearly identifiable and should follow the instructions noted in the Proposal Evaluation Requirements section of this RFP.** Failure to include the requested information may have a negative impact on the evaluation of the Contractor's proposal.

The Contractor shall complete all sections of the solicitation in the format given in the space provided. If additional space is needed than what is given, enter "See attachment for detail."

3.3 PREPARATION OF OFFER PACKAGE Only the following items shall be completed and returned. Failure to include all the items may result in an offer being rejected. Offer packages shall be submitted in the following order:

3.3.1 **OFFER SHEET**, Section 4.0
3.3.2 **PRICE SHEET**, Section 5.0
3.3.3 **ADDENDUM**, Return all addenda (if applicable).
3.3.4 **SPECIFICATIONS**, Section 1
3.3.5 **REFERENCES,** Section 2, Item 2.16
3.3.6 **COLLATERAL MATERIAL:** Additional collateral materials requested and those you feel would be necessary to better understand the products or service you are proposing.

3.4 ALTERNATE OFFERS/EXCEPTIONS Offers submitted as alternates, or on the basis of exceptions to specific conditions of purchase and/or required specifications, must be submitted as an attachment referencing the specific paragraph number(s) and adequately defining the alternate or exception submitted. Detailed product brochures and/or technical literature, suitable for evaluation, must be submitted with the Offer. If no

exceptions are taken, City will expect and require complete compliance with the specifications and all conditions of purchase.

3.5 **EVALUATION CRITERIA** The criteria is listed with their relative weights.

3.5.1 Experience or Service and Professional Effort 25%

3.5.2 Compliance with Specifications/Method of Approach 30%

3.5.3 Fee Structure 35%

3.5.4 References 10%

3.6 **INQUIRIES** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. A Contractor shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Contractors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such; otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

3.7 **EVALUATION PANEL** Submittals will be evaluated by an evaluation panel. Award shall be made to the responsive, responsible Offeror whose proposal is determined to be the most advantageous to the City.

3.8 **PANEL CONTACT** Contractor shall have no exclusive meetings, conversations or communications with an individual evaluation panel member on any aspect of the RFP, after submittal.

3.9 **INTERVIEWS** The City reserves the right to conduct interviews with some or all of the Contractors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the Contractor for the costs associated with the interview process.

3.10 **ADDITIONAL INVESTIGATIONS** The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any Contractor submitting a proposal.

3.11 **PRIOR EXPERIENCE** Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

3.12 **BEST AND FINAL OFFERS** The City may request best and final offers if deemed necessary, and will determine the scope and subject of any best and final request.

3.13 **PROPOSAL EVALUATION** The City reserves the right to secure additional information from the Contractors in various forms and or to award based on submitted information.

3.14 **DISCUSSIONS AND REVISIONS TO PROPOSAL** Discussions may be conducted with responsible Contractors who submit proposals determined to be reasonably susceptible of being selected for award; and may obtain pertinent information for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Should the City elect to call for 'best and final' offers, Contractor's shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Contractor's. The purposes of such discussions shall be to:

3.14.1 Determine in greater detail such Contractor's qualifications, and

3.14.2 Explore with the Contractor the scope and nature of the project, the Contractor's proposed method of performance, and the relative utility of alternate methods of approach;

3.14.3 Determining that the Contractor will make available the necessary personnel and facilities to perform within the required time;

3.14.4 Agreeing upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

3.15 **PRICE** All prices quoted shall be firm and fixed for the specified contract period.

3.16 **FOB POINT** Prices quoted shall be FOB destination to: City of Glendale.

3.17 **TERM OF AGREEMENT** The initial term of the contract shall be two (2) year upon approval by the City Council.

3.18 **OPTION TO EXTEND** The City may, at its option and with the approval of the contractor, extend the term of this agreement three (3) additional years in one (1) year increments based on satisfactory contractor performance. Contractor shall be notified in

writing by the City Materials Manager of the City's intention to extend the contract period at least 30 calendar days prior to the expiration of the original contract period. Price adjustments will only be reviewed during contract renewal.

3.19 **EVALUATION LITERATURE** Proposals submitted for products considered by the seller to be equal to or better than the brand names or manufacturer's catalog references specified herein, must be submitted with technical literature and/or detailed product brochures with written statements if the literature or brochure is not specific as to the specification for the City's use to evaluate the product(s) offered. Proposals submitted without this product information may be considered as non-responsive and rejected.

3.20 **INSURANCE** Contractor, performing as an independent contractor hereunder, shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that by Contractor, his agents, representatives, employees or subcontractors as detailed below. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Contractor shall provide General and Automobile Liability, Professional Liability, Workers' Compensation and Employer's Liability Insurance The insurance shall be the primary and non-contributory coverage and none of the city's insurance or self-insurance shall contribute to it. The coverage limits of such insurance shall not be less than those listed below.

The insurance company issuing the policy required above shall have an AM Best financial rating of "A- VII" or better and be authorized by the State of Arizona Department of Insurance to transact business within the State. **The General and Automobile liability certificate and policy shall name the City, its officers, directors, employees, agents and assignees as an additional insured The City shall also be an additional insured to the full limits of the liability insurance purchased by the Contractor even if those limits are in excess of those required by this contract.**

The City reserves the right to terminate any Contractor agreement if the Contractor fails to maintain such insurance coverage. Failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them.

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Contractor must provide certificate of insurance and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required below. All certificates and endorsements are to be received and approved by the City within ten (10) calendar days after notification of award. Certificate must include: name and address of insurance company; policy number; liability coverage amounts; a statement the policy will not be canceled or failed to be renewed without ten (10) days written notice to the City.

Certification to be submitted to: Materials Management, 5850 West Glendale Avenue, Suite 317, Glendale, Arizona 85301.

Type of Insurance (Minimum)	Limits of Liability
Workers' Compensation	Statutory
Employer's Liability	
Each Accident	$1,000,000
Disease-Each Employee	$1,000,000
Disease-Policy Limit	$1,000,000

Commercial General Liability shall cover liability arising from bodily injury, property damage, products-completed operations, personal and advertising injury, independent Contractors, and broad form contractual coverage.

Each Occurrence	$5,000,000
Personal and Advertising	$5,000,000
General Aggregate	$10,000,000
Products-Completed Operations	$5,000,000
Fire Damage Legal Liability	$500,000.00

Automobile Liability – Including bodily injury and property damage for any owned, hired and non-owned vehicles used in the performance of the services.

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

Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services appropriate to the contractor's profession with limits, not less than $5,000,000 per claim and $10,000,000 aggregate If higher limits are maintained, the City requires and shall be entitled to coverage for the higher limits.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of contract work.

3.21 **WORKER'S COMPENSATION** Contractor shall be in full compliance with the provisions of the Arizona Worker's Compensation Law (Title 23, Chapter 6, Arizona Revised Statutes) as amended, and all rules and regulations of the Industrial Commission of Arizona made in pursuance thereof. Contractor shall secure payment of compensation to employees by insuring the payment of such compensation authorized by the Insurance Department of Arizona to transact business in the State of Arizona.

Contractor further agrees that he shall require any and all sub-contractors performing work under the agreement to comply with said Worker's Compensation Law. It is expressly understood and agreed that all persons employed directly or indirectly by the Contractor, or any of his sub-contractors, shall be considered the employees of such Contractor, or his sub-contractor(s), and not the employees of the City.

3.22 **NOTICE OF INTENT TO AWARD AND PROTEST PERIOD** Information about the recommended award for this solicitation will be posted on the Internet. The information will be available for review on the City's Materials Management Internet home page www.glendaleaz.com/purchasing immediately after the City has completed its evaluation process of the offers received. If you have any questions, or would like further information about an intended award, contact the contract analyst immediately. Any protest must be submitted to the Materials Manager no later than seven (7) calendar days from the date of posting on the Internet.

3.23 **COOPERATIVE USE OF CONTRACT** This agreement may be extended for use by other governmental agencies and political subdivisions of the State, including all members of SAVE (Strategic Alliance for Volume Expenditures). Any such usage by other entities must be in accord with the ordinances, charter, rules and regulations of the respective entity and the approval of the Contractor and City. For a list of SAVE members, click on the following link: http://www.maricopa.gov/Materials/save.aspx.

3.24 **PERMITS AND LICENSES** – The Contractor shall be responsible for determining and securing, at his/her expense, any and all licenses and permits that are required by any statute, ordinance, rule or regulation of any regulatory body having jurisdiction in any

manner connected with providing operations and maintenance of the facility. Such fees shall be included in and are part of the total proposal cost. During the term of the contract, the Contractor shall notify the City in writing, within two (2) working days, of any suspension, revocation or renewal.

3.25 **PUBLIC RECORD** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.

3.26 **CONFIDENTIAL INFORMATION** The City of Glendale is obligated to abide by all public information laws. If a Contractor believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the Contractor submits a formal written objection.

3.27 **CERTIFICATION** By signature on the Offer page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Contractor certifies:

3.27.1 The submission of the offer did not involve collusion or other anti-competitive practices.

3.27.2 The Contractor shall not discriminate against any employee or applicant for employment in violation of Federal or State law.

3.27.3 The Contractor has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.

3.27.4 The Contractor hereby certifies that the individual signing the submittal is an authorized agent for the Contractor and has the authority to bind the Contractor to the Contract.

3.28 **WITHDRAWAL OF PROPOSAL** At any time prior to the specified solicitation due date and time, a Contractor may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Contractor or a designated representative. Telephonic or oral withdrawals shall not be considered.

3.29 **DISCUSSIONS** The City reserves the right to conduct discussions with Contractors for the purpose of eliminating minor irregularities, informalities, or apparent clerical

mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.

3.30 **CONTRACT NEGOTIATIONS** Exclusive or concurrent negotiations may be conducted with responsible Contractor(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Contractors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing Contractors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful Contractor. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

3.31 **PERFORMANCE SURETY REQUIREMENTS** The performance sureties shall be in the form of a bond. A cashier's check, certified check, money order, personal or company checks are not acceptable. Letters of credit are not acceptable. Individual sureties are not acceptable.

PERFORMANCE SURETY The successful proposer shall, at the time of entering into the contract, furnish a performance surety in the form of a bond in the amount of $75,000 guaranteeing the faithful performance of the contract by the proposer.

The bond must be written by a surety with a Best Rating no less than an A and must be authorized and licensed to do business in this State by the Arizona Department of Insurance. Individual sureties and letters of credit are not acceptable.

3.32 **ADDITIONS OF SERVICE** Additional service may be added from time to time. If this occurs, the Contractor will be requested to submit a negotiable quotation for the additions. Upon approval and authorization by the Materials Manager such additions will be added to and become a part of the contract through properly executed forms.

3.33 **PUBLIC RECORD** Contractor acknowledges that the City is a public agency and must comply with all Public Records laws. All proposals submitted in response to the Solicitation shall become the property of the City and, subsequent to award recommendation, become a matter of public record available for review pursuant to Arizona Public Records Law.

If a Contractor believes that a specific section of its Proposal response is confidential, that should be withheld from the public record, Contractor shall isolate the pages and mark each page confidential in a specific and clearly labeled section of its Proposal response. The Contractor shall include a written statement as to the basis for considering

the marked pages confidential including the specific harm or prejudice if disclosed. The City Materials Management Division will review the material and make a determination as to the confidentiality of any of the information and/or material contained within the Submittal. In the event of a public records request for documents Contractor deems confidential, the City will notify Contractor of the request and if Contractor claims such documents are confidential, it shall be the Contractor's sole responsibility, including sole cost, to take appropriate action, including legal action, to protect such documents.

3.34 **NO CONTACT, NO INFLUENCE DURING THE RFP PROCESS** The City is conducting a competitive RFP process for the contract, free from improper influence or lobbying. There shall be no contact concerning this RFP from Contractors submitting a Proposal with any member of the City Council, RFP Evaluation Committee Members, or anyone connected with the process for or on behalf of the City. Contact includes direct or indirect contact by the Contractor, its employees, attorneys, lobbyists, surrogates, etc. in an attempt to influence the RFP process.

From the time the RFP is issued until the expiration of the protest period or the resolution of any protest, whichever is later (the "Black-Out Period"), Contractors, directly or indirectly through others, are restricted from attempting to influence in any manner the decision making process through, including but not limited to, the use of paid media; contacting or lobbying the City Council or City Manager or any other City employee (other than Material Management employees); the use of any media for the purpose of influencing the outcome; or in any other way that could be construed to influence any part of the decision-making process about this RFP. This provision shall not prohibit a Contractor from petitioning an elected official or engaging in any other protected first amendment activity after the protest period has run or any protest has been resolved, whichever is later.

Violation of this provision will cause the proposal or offer of the Contractor to be found in violation and to be rejected.

3.35 **KEY PERSONNEL** Contractor shall assign specific individuals to the key positions in support of the Contract. Once assigned to work under the Contract, key personnel shall not be removed or replaced without the prior written approval of the City. Upon the replacement of any key personnel, Contractor shall submit the name(s) and qualifications of any new key personnel to the City Contract Administrator or Designee. With the concurrence of the Contract Administrator or Designee, the City shall amend the Contract to reflect the name(s) of any replacement key personnel. Upon any unplanned departure of key personnel, Contractor shall immediately notify the Contract Administrator or Designee.

4.0 SUBMISSION REQUIREMENTS AND QUESTIONNAIRE

(See Evaluation Criteria for percentage breakdown in Section 3, #3.3)

Contractors may submit additional information to assist the evaluation team in determining your firm's capabilities and experience; however, your firm at a minimum must submit the following:

Please provide written, narrative responses for each item requested within the categories below: When applicable, please attach supporting documents and reference the appropriate category.

4.1 EXPERIENCE OR SERVICE AND PROFESSIONAL EFFORT 25%

4.1.1 Contractors shall describe in detail your firm's experience and qualifications in successfully running a medical occupational health services center similar to Glendale Health Center.

4.1.2 Include a cover letter, a company profile that details your company's history, business philosophy, management, operations, locations, number of employees, years of experience and other pertinent details.

4.1.3 Provide necessary resources and show a history of demonstrated competence. Include a bio of the key personnel, account manager and day-to-day service staff and all other staff assigned to this project.

4.1.4 Contractor shall describe similar clients and provide details on projects undertaken.

4.1.5 Provide your experience with city government and public safety to include AZPOST and NFPA.

4.1.6 Provide your experience with Department of Transportation and Federal Motor Carrier System Agency drug and alcohol and commercial driver's license medical certification exams.

4.2 COMPLIANCE WITH SPECIFICATIONS/METHOD OF APPROACH 30%

4.2.1 Contractors shall clearly provide a written understanding of the requirements, specifications, meeting the terms and conditions of the RFP and matching the proposed methods to accomplish work and timelines.

4.2.2 Please provide a description of your approach to this opportunity (e.g. valuation, staffing). Please provide a detailed statement outlining the level of support expected from City.

4.2.3 Contractor shall provide in detail their record management methodology.

4.3 FEE STRUCTURE 35%

4.3.1 While cost is a significant factor in considering the placement of the awards, it is not the only factor. The award will not be based on price alone, nor will it be based solely upon the lowest fees submitted.

4.3.2 The Contractor shall provide concurrence to the facility lease terms as identified under Section 2.0 #2.14.

4.3.3 The Contractor shall include a project schedule for implementation of service requirements. Contractor shall complete section 6.0 Price Sheet and include support documentation should it be necessary.

4.4 REFERENCES 10%

4.4.1 Provide with the offer a list of four (4) client references, preferably letters of reference from companies for whom Contractor has provided similar products/services in the last two-years. Also include company name, address, phone number, contract person, a description of the products/services provided with a description of any major variation to the requirements of this RFP. References must be in writing and included with Contractor's response. Reference contact information only is not a viable substitute.

QUESTIONNAIRE

4.5 VENDOR QUESTIONNAIRE

4.5.1 Contractor shall complete the questionnaire as attached in Microsoft Excel. Responses must be submitted in hardcopy format as well as the native Microsoft Excel format. The city at its discretion may utilize the questionnaire as a tool in evaluating proposals received.

GLENDALE	**SOLICITATION NUMBER: RFP 14-07** **MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER**	**CITY OF GLENDALE** **Materials Management** **5850 West Glendale Avenue, Suite 317** **Glendale, Arizona 85301**

5.0 OFFER SHEET

5.1 OFFER Offeror certifies that they have read, understand, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror also certifies that the prices offered were independently developed without consultation with any of the other Offerors or potential Offerors.

Authorized Signature	Company's Legal Name
Printed Name	Address
Title	City, State & Zip Code
Telephone Number	FAX Number
Authorized Signature Email Address	Date

For questions regarding this offer: (If different from above)

Contact Name	**Phone Number**	**Fax Number**

Email Address

FEDERAL TAXPAYER ID NUMBER: _____

Arizona Sales Tax No. _____ Tax Rate _____

Offeror certifies it is a: Proprietorship ____ Partnership ____ Corporation ____

Minority or woman owned business: Yes _____ No _____

6.0 PRICE SHEET

6.1 SERVICE FEE

ITEM	DESCRIPTION OF SERVICE	COST
1	Appointments Scheduling: Same Day	$
2	Annual Physical Exams	$
3	CBD with Diff (Complete Blood Count)	$
4	CMP (Comprehensive Metabolic)	$
5	Coordinate/Bill Worker Compensation Claims	$
6	DOT/CDL Physical Exams	$
7	DOT/Non-DOT Drug and Alcohol Screens	$
8	AZPOST Drug/Alcohol Screens	$
9	EKG	$
10	Employee Assistance Program referral	$
11	Flu Shots	$
12	Functional Movement Test (Fire/Police) Included in the Fire physicals	$
13	Immunizations & Injections	$
14	Initial Fracture Care	$
15	IV Hydration	$
16	Lab Draws/Testing (CLIA)	$
17	Lift Test	$
18	Occupational Therapy	$
19	On-call Services for Post-Exposure Prophylaxis (PEP)	$
20	Evaluation and treatment of first aide injury	$
21	Evaluation and treatment of initial workers' comp injury	$
22	Follow up treatment of workers' comp injury	$
23	Pharmacy	$
24	Physical Therapy	$
25	PPD (TB Skin Test)	$

Company Name _____

ITEM	DESCRIPTION OF SERVICE	COST
26	Pre-employment Physicals	$
27	Prostate Exams	$
28	Auditory Function Tests	$
29	Vision Tests	$
30	Public Safety Physicals (Police & Fire)	$
31	Pulmonary Function Tests	$
32	Radiology (administer in-house, send out for reading)	$
33	Randomizing of Drug & Alcohol Screens	$
34	Routine Hearing Services (CDL Requirements)	$
35	Routine Vision Services (CDL Requirements)	$
36	Sick Visits	$
37	Spirometry (lung function) (Fire/Police)	$
38	Stress Tests	$
39	Surgical Procedures (Minor: Sutures, etc.)	$
40	Urinalysis (for CDL, Random, Etc.)	$
41	Walk-In Services: Non-worker's comp	$
42	Feel free to list additional services we have left out.	$
43	If you have a Lab contract please provide the Lab testing capabilities. List associated pricing , by CPT code, in your Cost Proposal.	$
44	Please describe your quality assurance program or process.	$
45	Would you be willing to offer a discount for annual public safety physicals to the Glendale Regional Public Safety Training Center partners? If so, please include the discounted price. (Partners: Avondale Fire, Peoria Fire, Surprise Fire, Glendale Fire/PD, MCCCD)	$

6.3 DISCOUNT/PAYMENT TERMS: The City standard is 2% 20 days

Comply: YES ☐ NO ☐
If your answer is NO, please state terms offered: _____

6.4 TAX AMOUNT Do not include any use tax or federal tax in your proposal. The City is exempt from the payment of federal excise tax and will add use tax as applicable.

Company Name _____

7.0 **PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:
That _____ (hereinafter called the "Principal"), as Principal, and _____, a corporation organized under the laws of the State of ____, (hereinafter called the "Surety"), as Surety, are held and firmly bound unto the City of Glendale, a municipal corporation in the State of Arizona (hereinafter called the "Obligee"), as Obligee in the amount of _____ Dollars ($ _____), for the payment whereof the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated the _____ day of _____, 20___, whereby Principal agreed to _____
_____
which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW THEREFORE, the condition of this obligation is such that, if Principal shall faithfully perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract, with or without notice to the Surety, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all authorized amendments, modifications or exercise of options to said contract that may hereafter be made between the Principal and Obligee, notice of such amendments, modifications or exercise of options to this Surety being hereby waived, then this obligation shall be null and void, otherwise to remain in full force and effect.

The prevailing party or any party which recovers judgment on this bond shall be entitled to such reasonable attorney's fees as may be fixed by the Court.

Signed this ____ day of _____, 20 ____.

"Principal"

By: _____

Its: _____

"Surety"

By: _____

8.0

EXHIBIT A
Occupational Health Medical Services
EQUIPMENT

The City will provide and maintain the following equipment:

Type of Equipment	COG inventory ID	Serial number	Location
Copier	COG16559	TND03424	GRPSTC –HC24
X-Ray machine	COG25531	170-11893	GRPSTC – HC7
Pulmonary machine	COG23788	AJS01277	GRPSTC – HC15
Hearing test machine	COG23779	BC 181 559	GRPSTC – HC6
Treadmill 1	COG23780	Q5005279	GRPSTC – HC4
Treadmill 2	COG23781	Q5005278	GRPSTC – HC5
Vision tester 1		815600299	GRPSTC – HC17
Scale 1		4020057900	GRPSTC – HC18
Scale 2		4020057905	GRPSTC – HC19
Microwave		801TAXT02098	GRPSTC – HC32
Refrigerator 1		DR312701	GRPSTC – HC13
Refrigerator 2		AR312536	GRPSTC – HC32

9.0 **EXHIBIT B**

Urgent Care and Occupational Health Medical Services

STAFFING

The procedure for staffing physicians for the day-to-day medical operations of the Health Center shall be the responsibility of Contractor. Contractor may provide staffing as follows:

a. At least one of the positions, physician/medical director or physician assistant, shall be full time; i.e., full time physician/medical director and part time physician assistant or part time physician/medical director and full time physician assistant.

b. A pool of no more than four (4) physicians will be assigned to provide coverage for peak work time or relief time, as needed and dictated by work flow. Contractor will seek to provide physicians with a current affiliation with a Level 1 Trauma Facility and access to toxicology referral within one (1) hour of request.

c. **PHYSICIAN**: MEDICAL DOCTOR/DOCTOR OF OSTEOPATHY-MEDICAL DIRECTOR – FULL OR PART TIME (Permanently Assigned)

   a. A medical doctor/doctor of osteopathy will act as the medical director of the Health Center and must be qualified and capable of performing the following responsibilities:

      1) Director will act as the liaison between the contracted clinical staff the Health Center Deputy Chief and Glendale Human Resources and Risk Management. In addition, the director/doctor will perform baseline physicals; infectious and hazardous exposure examinations; will implement ongoing wellness programs for fire department personnel and City employees; will evaluate industrial injuries, and will serve as the Certified Medical Review Officer (MRO) for the City's drug and alcohol testing program.

      2) Responsible for performing all elements of physical examine in accordance with NFPA 1582 and AZ POST.

      3) Responsible for performing all elements of City's physicals, pre-employment physicals for City employees and potential employees in "non-safety" sensitive positions and in compliance with DOT and FMCSA.

      4) Will perform consultations for City employees and potential employees with infectious exposure to HIV, hepatitis C and B, tuberculosis, and all other infectious exposures.

5) Will interface with City employees and their primary care physicians to assure proper health care.

6) Will develop, update and revise procedures with regard to medical monitoring, fitness maintenance, and stress management as needed.

7) Will participate in research projects regarding public safety and city of Glendale employee health and fitness.

8) Will prepare and present educational materials to public safety and city of Glendale employees for training relating to health and wellness.

b. Minimum Qualifications:
Must be licensed M.D. or D.O. in the State of Arizona and have a valid ACLS certification. Must demonstrate substantial experience in the following areas: internal medicine, cardiovascular disease, medical toxicology, and occupational medicine. Must be familiar with and have experience working within the requirements of NFPA 1582, IAFF/IAFC Wellness/Fitness Initiative, AZ POST and OSHA regulations, as well as DOT Drug and Alcohol collection and testing and Industrial Commission of Arizona Rules.

d. **PHYSICIAN ASSISTANT** - FULL OR PART TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will perform baseline physicals; evaluate, treat and follow up on industrial injuries and infectious and hazardous exposures.

2) Will support and implement on-going wellness program for fire department personnel and city of Glendale employees.

3) Will evaluate lab assessments and stress treadmill to assess fitness for duty for fire fighters in accordance with NFPA 1582.

4) Will perform pre-employment physicals for City employees and potential employees.

5) Will perform DOT/FMCSA exams and interface with city employees and their primary care physician to assure proper health care.

6) Will perform Drug and Alcohol testing for city employees and potential employees in accordance with DOT/FTA and FMCSA.

7) Will interface with fire fighters, police officers, and City employees and their primary care physician to assure proper health care.

8) Will develop, revise and update health care, policy, and other procedures at the Health Center, as needed.

9) Will participate in research projects in public safety and city of Glendale employees health and wellness.

10) Will prepare materials a necessary to assist in the health care and fitness training of public safety and city of Glendale employees.

b. Minimum Qualifications.
Must be nationally certified through the NCCPA, hold a current Arizona license, have an established DEA number, and be ACLS certified. Must demonstrate substantial experience in the following areas: family practice, occupational medicine, preventive medicine, or sports medicine. Must be familiar with and have experience working within the requirements of NFPA 1582 and the IAFF/IAFC Wellness/Fitness Initiative, AZ POST, OSHA Regulations, and DOT/FTA and FMCSA regulations and Industrial Commission of Arizona Rules.

5. **CLINICAL MANAGER/REGISTERED NURSE** - FULL TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will assist with preparation of charts and management of the flow of patients.

2) Will perform back office evaluations, vision, pulmonary function, hearing, and body composition examinations.

3) Will perform first aid physicals, evaluate, treat and follow up on industrial injuries

4) Will perform phlebotomy and administer medications as needed.

5) Will perform resting 12-lead EKS's and stress tests.

6) Will assist with infectious exposure consults and follow-ups.

7) Will transcribe back office evaluations onto medical records.

8) Will assist physicians with data collection for studies.

9) Will assistant physicians with treatment of medical patients.

10) Will assist with maintenance and stocking of medications and medical supply inventory.

b. Minimum Qualifications.
Registered nurse in the state of Arizona with experience in occupational medicine, orthopedics and infectious disease. Must be ACLS certified, having two years experience in treadmill testing, immunizations and schedules. Must be familiar

with and have experience working within the requirements of NFPA 1582 and the IAFF/IAFC Wellness/Fitness Initiative, AZPOST,OSHA Regulations, and DOT/FTA and FMCSA Regulations and Industrial Commission of Arizona Rules.

6. **CERTIFIED RADIOLOGY TECHNICIAN (CRT)** - FULL TIME (Permanently Assigned)

   a. Must be qualified and capable of performing the following responsibilities:

      1) Will conduct on-site x-rays for annual physicals, urgent care and industrial injuries.

      2) Will assist with all aspects of physical exams, phlebotomy, vision, hearing, and patient flow.

      3) Will be accountable for the ethical, legal and professional responsibilities related to radiology practice and patient confidentiality.

      4) Will monitor and maintain an adequate inventory of supplies and material to ensure non-interruption of services.

      5) Will prepare and maintain accurate documentation.

   b. Minimum Qualifications.
   Must be Board Certified in Arizona with a certification, or diploma, from an approved/accredited school of Radiology Program with a minimum of two year's experience.

7. **MEDICAL ASSISTANT** – FULL TIME (Permanently Assigned)

   a. Must be qualified and capable of performing the following responsibilities:

      1) Will assist with all aspects of physical exams, phlebotomy, vision, hearing, and patient flow.

      2) Will be accountable for the ethical, legal and professional responsibilities related to patient confidentiality.

      3) Will monitor and maintain an adequate inventory of supplies and material to ensure non-interruption of services.

      4) Will prepare and maintain accurate documentation.

      5) May be responsible for scheduling public safety physicals.

b. Minimum Qualifications.
Must have successfully completed a Medical Assistant Program through an accredited Institution with a minimum of two years' experience.

The Medical Assistant could fulfill the role of the receptionist/scheduler. See responsibilities below.

8. **RECEPTIONIST/SCHEDULER** - FULL OR PART TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will be responsible for patient's medical and immunization record data entry.
2) Will answer telephones.
3) Will maintain sign-in log for both medical and industrial patients.
4) Will record all patients' visits in the computer.
5) Will prepare computerized medical charge sheets.
6) Will perform light typing for chart preparation.
7) Will verify appointments and prepare charts for physical examines.
8) Will assist patients with industrial paperwork
9) Will provide via fax industrial injury medical notes and work status information to Human Resources and Risk Management following all industrial visits.
10) Will provide via fax a copy of CDL Medical Certification cards to Human Resources and Risk Management.

b. Minimum Qualifications.
Must have a minimum of one year of experience working in a medical office. Ability to type 30 wpm, basic computer skills, ability to handle up to three incoming phone lines and pleasant communications over the telephone. Must have medical back office skills and experience, and the ability to interact professionally with City personnel and medical personnel.

CITY OF GLENDALE MATERIALS MANAGEMENT REQUEST FOR PROPOSAL

SOLICITATION NUMBER: **RFP 14-07**

DESCRIPTION: **MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER**

OFFER DUE DATE AND TIME: **MAY 8, 2014, AT 2:00 P.M. LOCAL TIME**

SUBMITTAL LOCATION: **City of Glendale**
Materials Management
5850 West Glendale Avenue, Suite 317
Glendale, Arizona 85301

Proposals must be in the actual possession of Materials Management on or prior to the time and date, and at the location indicated. Materials Management is located on the 3rd floor of the Glendale Municipal Office Complex (City Hall) behind the Engineering Department. Proposals are accepted from the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, unless otherwise indicated for a holiday. All proposals will be time stamped at the Engineering Department's front counter. Late proposals will not be considered.

Proposals must be submitted in a sealed envelope with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope. **See Paragraph 2.3 for additional instructions for preparing an offer.**

Proposals shall be opened publicly at the time, place and location designated on this page. Only the name of each Offeror shall be publicly read and recorded. All other information contained in the proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing Offerors.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

For questions regarding
General Terms and Conditions contact:
Victoria Jackson, CPPB
Contract Analyst
Phone: 623-930-2867
Email: vjackson@glendaleaz.com

1.0 INTRODUCTION – GLENDALE REGIONAL HEALTH CENTER

1.1 The city of Glendale invites sealed proposals for medical/occupational health services at the Glendale Health Center which operates out of the Glendale Regional Public Safety Training Center located at 11550 West Glendale Avenue.

1.2 The city of Glendale Fire Department and various other public safety agencies are parties to an existing automatic aid agreement through the Central Arizona Life Safety Council System. It is the responsibility of the other public safety agencies that utilize this contract to coordinate medical services directly with Contractor.

1.3 The city of Glendale is self-insured for the workers' compensation program. When employees are injured they are referred to the Glendale Health Center for first aid treatment, initial visit for industrial injuries and follow-up, and when necessary, referrals to specialists.

1.4 The city of Glendale seeks to provide access to medical health services, including urgent care and occupational health, pre-hire physical examinations, annual physical evaluations and examinations, hearing and visions testing, Drug and Alcohol testing, Department of Transportation (DOT) physicals, rehabilitation and educational services at the Health Center for city of Glendale employees and public safety personnel of any automatic aid department, city township, district and/or tribal jurisdiction in the state of Arizona.

1.5 The Contractor must be able to provide such medical services, at the Health Center, to include the provision of medical staffing, i.e., physicians, nurses, physician assistants, physical therapists and technicians to provide: (DOT) and Arizona Peace Officer Standards and Training (AZ POST) drug and alcohol screening; hearing and vision testing; Commercial Driver's License (CDL)/(DOT) physicals in accordance with Federal Motor Carrier Safety Administration (FMCSA); pre-employment physical examinations in accordance with OSHA Regulations; annual physical health evaluations and other medical evaluations and examinations on City employees and potential employees; incumbent fire fighters in compliance with NFPA 1582 and OSHA 1910 – 134 Respiratory Protection and police officer in accordance with AZPOST requirements; and on-going rehabilitation and nutrition, health and fitness education.

1.6 Under the current system, medical staffing and support is provided through a contractual arrangement. The purpose of the RFP is to provide an opportunity for interested Contractors to submit proposals for the provision of these services, in addition to adding urgent care services, through a competitive process. The selected Contractor will be expected to begin providing service on or about

September 2, 2014 and the contract period will be for two (2) years with three (3) one-year renewal options, with the contract costs for option years to be negotiated, per the special terms and conditions as outlined herein.

1.7 The goal of the Health Center is to provide health and wellness medical services and programs to all Glendale employees and other city townships, districts and/or tribal jurisdiction in the state of Arizona

The Fire Service Joint Labor Management Wellness/Fitness Initiative is a historic partnership between the International Association of Fire Chiefs (IAFC) and the International Association of Firefighters (IAFF) to improve the wellness of fire department personnel. This initiative has been used as a guide to formulate a department's Wellness/Fitness Program. The Wellness/Fitness Initiative complies with both the NFPA Standards and OSHA regulation.

Consistent with the Initiative, the purpose of this RFP is to help ensure that public safety personnel receive medical health care and education on health, wellness, exposure to both hazardous and infectious materials and safety issues faced by firefighters and police officers throughout their careers. The Health Center schedules annual physicals for field personnel usually by apparatus crew, so that all members working on a particular apparatus can be sent to the Health Center at the same time providing minimal disruption of service delivery. This approach also allows the physicals to be conducted while members are on-duty avoiding overtime costs. Fire physicals are currently scheduled Tuesdays through Thursdays from 8:00 a.m. to noon or 1:00 p.m. to 5:00 p.m. with four slots per 4 hour session.

1.8 The Glendale Health Center has been in operation since 2009, primarily providing annual medical examinations and fitness assessments for firefighters. In 2011, the Glendale Health Center started offering occupational medical services for all city of Glendale employees and any fire agency that wished to use the occupational medical services. In addition, the Health Center also started performing many of the services listed in 1.5 above.

1.9 **INDUSTRIAL INJURY PROGRAM** The Health Center also provides evaluation and treatment of industrial injuries for all city of Glendale employees as well as a few fire agencies. The Health Center medical staff treats patients with minor injuries and refers those with more serious injuries to appropriate specialists. City of Glendale Human Resources & Risk Management oversees the city of Glendale's Industrial Injury Program. The Health Center sees an average of 178 new city of Glendale employee injuries per year.

1.10 **CITY OF GLENDALE HEALTHCARE PROVIDER** The city of Glendale is currently self-insured for its medical benefits and is under an agreement to utilize the network of Blue Cross Blue Shield of Arizona (BCBSAZ). The successful proposer will enter into and maintain an agreement as a medical provider with BCBSAZ. Should the city of Glendale change networks, the successful proposer will enter into and maintain an agreement to be a medical provider with the city of Glendale's new healthcare network provider.

1.10.1 The city of Glendale's current wellness initiatives through BCBSAZ include the following:

1.10.1.1 Influenza Immunization for health plan and first responders.

1.10.1.2 Annual Health and Wellness Fair – wellness contactors and carriers provide information on their services and wellness classes are offered.

1.10.1.3 Health Risk Assessments and education

1.10.1.4 Wellness incentives for participation in the wellness programs are offered annually through a health insurance deduction discount.

1.10.1.5 Mobile on-site mammograms and prostrate screenings.

1.10.1.6 Wellness education sessions, both instructor-led and on-line.

1.10.2 The city of Glendale has approximately 1100 active employees insured through BCBSAZ. There are 2750 active employee dependents insured, under the BCBSAZ Plan with the City; 550 insured retirees, and 400 insured retiree dependents. Additionally, the City has approximately 2,423 total employees covered under the occupational health program; approximately 235 are Fire sworn employees, 380 are Police sworn employees, and 370 are CDL drivers.

1.10.3 Health expenditures and Cost per Insured by fiscal year:

	2009	2010	2011	2012
Health Expenditures	$19,500,000	$19,900,000	$19,600,000	$21,400,000
Number of Insured	5100	5000	4970	4940
Cost per Insured	$4100/year	$4300/year	$4500/year	$4800/year

Worker's Comp. cases (First Aid cases are not included)	191	172	191	176

1.11 **CURRENT STAFFING** A Glendale Fire Department Deputy Chief oversees the Health Center and works with the current provider to meet the needs of the Health Center's internal and external fire departments. To meet the needs of all city employees, the following services are overseen by Human Resources and Risk Management to ensure compliance with the city's programs:

1.11.1 Workers' Compensation
1.11.2 Drug and Alcohol
1.11.3 CDL Medical Certification
1.11.4 OSHA required vision and hearing testing
1.11.5 Pre-employment physicals

The current service contract includes two (2) part-time medical doctors (one serving as director), one full-time physician's assistant, one full-time registered nurse, one full-time certified radiology technician, one medical assistant and one patient care manager. All other services are provided through the current providers system outside of the Health Center. The medical doctor/director currently only works one day of the week and the other physician works 2 other days during the week. A combination of the current staffing works at the Health Center each day based on current workload need. If the services provided increases, it is expected that the Contractor will add additional day(s) depending on the need.

1.12 **FACILITY** The Health Center is operated out of approximately 6,000 square feet of space located in the Glendale Regional Public Safety Training Center at 11550 West Glendale Avenue as generally depicted on **Maps A and B.** The Health Center is open Monday-Friday from 7:30 a.m. to 5:00 p.m. and closed on all city of Glendale observed holidays. All services provided by the Contractor, or its subcontractors, shall occur during these hours of operation, unless otherwise agreed to in writing by the City.

1.13 **MEDICAL EQUIPMENT** The Health Center contains the facilities and testing equipment needed to conduct comprehensive medical examinations. The facility includes: patient waiting area; five exam rooms; specialized testing rooms; a minor trauma room; lab; patient medical records room; offices; work stations; break room and patient and staff restrooms. Major medical equipment includes a Spirometer for testing lung capacity, a hearing test booth, a Titmus vision test

machine, digital x-ray machine, two treadmills with stress test equipment and EKG machines. **See Exhibit A** ("Equipment"). Under the current contract blood samples are sent to the medical provider's contracted medical laboratory for analysis and x-rays are sent to an outside radiologist for interpretation.

1.14 **WORKLOAD** The fiscal year 2012-2013 workload for the Health Center is as follows:

1.14.1 Annual firefighter physicals: 680
1.14.2 Annual non-sworn/retiree physicals: 31
1.14.3 Annual police physicals: 34
1.14.4 CDL/DOT physicals: 168
1.14.5 New employee physicals: 46
1.14.6 Drug/alcohol screens: 211
1.14.7 Hearing conservation: 131
1.14.8 Industrial Injury Evaluations: 190
1.14.9 Industrial Injury Re-checks: 95
1.14.10 Exposure Incidents: 5

2.0 SCOPE OF SERVICES BY CONTRACTOR

2.1 The Contractor will provide all services necessary to assure they are completed timely and efficiently consistent with the proposal requirements, including, but not limited to, working in close interaction and interfacing with the City and its designated employees, and working closely with others, including other contractors or consultants, retained by the City.

2.2 **MEDICAL EXAMS**

2.2.1 **Firefighters (includes new firefighter pre-employment)** The physical examination currently used by the Glendale Health Center is comprehensive and includes the following elements:

- 2.2.1.1 Health Survey
- 2.2.1.2 Physical examination
- 2.2.1.3 Blood analysis consisting of CBC, Chem. 22, Hepatitis C and lipid panel
- 2.2.1.4 PSA for males >40 years of age.
- 2.2.1.5 Urine dipstick with reflux urinalysis
- 2.2.1.6 Spirometry
- 2.2.1.7 Hearing evaluation (in an ANSI-approved soundproof booth)
- 2.2.1.8 Visual acuity evaluation
- 2.2.1.9 Stress test (treadmill) Fire performs the Davis-Gerkin Protocol and PD performs the Bruce Protocol or as indicated.
- 2.2.1.10 Chest x-ray (every 5 years or annually if TB positive or new hire or as indicated by clinical conditions)
- 2.2.1.11 Functional Movement Screening
- 2.2.1.12 Body fat assessment and body weight
- 2.2.1.13 Review of immunization history
- 2.2.1.14 Up to a 30 minute consult with physician to discuss physical examination and health survey.
- 2.2.1.15 TB skin test
- 2.2.1.16 Tiered Medical Evaluation (optional)

2.2.2 **Non-sworn EMS personnel and retirees** Some fire departments may offer annual physicals to their non-sworn personnel and/or retired firefighters. The above elements are offered except:

- 2.2.2.1 No stress test – resting EKG only
- 2.2.2.2 No chest x-ray
- 2.2.2.3 No Functional Movement Screening
- 2.2.2.4 No TB skin test

2.2.3 **SWAT/Bomb/Clan lab/new officer pre-employment physicals for police** Currently Glendale, Peoria and Goodyear Police Departments send their specialty officers in for annual physicals due to their use of self-contained breathing apparatus and OSHA respiratory regulations. The above physical elements listed in 2.2.1 above are performed with the only exceptions:

2.2.3.1 No Functional Movement Screening
2.2.3.2 No TB skin test
2.2.3.3 New hire officers will get a chest x-ray

2.2.4 **CDL/DOT physicals** The city of Glendale sends all CDL required drivers to the clinic for CDL/DOT Medical Certification Examinations, in accordance with DOT/FMCSA.

2.2.5 **New employee physicals (non-public safety)** The city of Glendale sends its new employee hires, which have a lifting requirement as part of the essential function of their job, to the clinic for a pre-employment physical.

2.3 DRUG/ALCOHOL SCREENING

The City of Glendale's Drug and Alcohol Policy was established to comply with the Drug Free Workplace Act of 1988, and the Arizona Medical Marijuana Act (A.R.S. 36-2801), Department of Transportation (DOT) Drug and Alcohol Testing Rule (49CFR Part 40), Federal Motor Carrier Safety Administration (FMCSA) Drug and Alcohol testing Regulations (49 CFR Part 382) and Federal Transit Administration (FTA) Drug and Alcohol Regulations (49 CFR Part 655).
In accordance with the DOT -FMCSA and the DOT-FTA mandates, and for NON-DOT, safety-sensitive employees and other covered personnel in order to maintain a drug free work environment, the City will conduct the following categories of tests:

a. Pre-employment
b. Random
c. Reasonable suspicion
d. Post-accident
e. Return to duty
f. Follow up

The Breath Alcohol Test (BAT) shall be administered in accordance with federal regulations for DOT- FMCSA and DOT- FTA for determining blood/alcohol levels. For NON-DOT, safety-sensitive employees and other covered personnel, the Saliva Alcohol Test (SAT) shall be administered. (If SAT testing is not available, BAT shall be utilized)

The Urine Sample Test will be utilized in accordance with federal regulations for DOT-FMCSA, DOT-FTA, and for NON-DOT safety-sensitive employees and other covered personnel. The Oral Fluid Drug Test shall be utilized (if Oral Fluid Drug Test is not available, Urine Sample test shall be utilized) to test for the following drugs (or their metabolites):

a. Marijuana

b. Cocaine

c. Opiates

d. Phencyclidine (PCP)

e. Amphetamines

Contractor will be responsible for randomizing the selection of all city of Glendale employees' drug and alcohol testing.

2.4 HEARING CONSERVATION AND REVIEW OF RESPIRATORY QUESTIONNAIRE)

The medical provider will perform annual audiograms for Glendale personnel in the Hearing Conservation Program. They will also provide annual review of the OSHA respiratory questionnaires for all city of Glendale employees. The provider will sign off the employee is medically cleared to wear a respirator or, if not medically cleared, they will provide further testing to establish the need to seek specialist care or establish clearance through the additional testing. The medical provider will be required to work with and provide the Police personnel testing information results to the Glendale Police Department Safety Officer for both hearing and respiratory testing. The medical provider will be required to work with and provide hearing testing results to the Glendale Human Resources and Risk Management for non-Police personnel

2.5 FUNCTIONAL CAPACITY EVALUATIONS (FCE)

The FCE should consist of the use of an in-depth questionnaire and is used to determine other conditions and specific limitations the employee may have, whether directly or indirectly related to the employee's job duties and utilizes real and simulated workstations to evaluate the abilities of the employee. If an FCE is to be conducted, the city of Glendale would want the agency to review our Job Duties Assessment form on the employee's position, review medical records if applicable, and provide the city of Glendale with a detailed report based on specific questions to address whether or not the employee can perform the essential functions of his or her job with or without an accommodation.

Other public safety agencies, that currently use the Health Center, may have the same requirements. The selected contactor will need to work with each agency

based on their need and requirements. Some agencies may also require a fitness for duty or return to duty evaluation.

2.6 POST EXPOSURE PROPHYLAXIS (PEP)

The Contractor will need to provide a 24 hour hotline for exposed city of Glendale personnel; this may also include public safety agencies other than city of Glendale personnel. This hotline would provide the exposed employee with initial counseling and treatment options based on the significance of the exposure.

The Contractor will conduct baseline blood testing within 10 days of the initial exposure, as well as further counseling and treatment options. It will be the responsibility of the Contractor to contact the exposed employee and provide follow-up testing within the established guidelines.

The Glendale Police Department Safety Officer and Glendale Fire Department Infectious Disease Control Officers require the medical provider to communicate with them during the post exposure process. This may include providing test results of source patient. After a city of Glendale employee has a confirmed exposure, Human Resources & Risk Management shall also be notified.

The police and fire department's would like to pursue the possibility of the medical provider providing an Infectious Control Officer (ICO) to manage current and future public safety entities that use the Health Center. This would be a 24/7/365 on-call person. Some fire agencies currently use the Phoenix Fire Department to manage their exposures. These agencies are charged for the service. Other agencies may have an internal ICO and manage their own personnel.

2.7 URGENT CARE AND PREVENTIVE CARE

The city of Glendale has a proactive Wellness Program and would like to expand its efforts to include an on-site Urgent Care/Preventive Care Clinic at the Glendale Health Center. This would enable employees to require less time off work when seeking medical attention. The primary focus will be on wellness and health preservation, prevention and control of disease. Examples of services the City would like offered: acute walk-in care; immunization and injections (preventative); run basic labs; and dispensing/prescribing generic pharmaceuticals.

2.8 Heart Fit for Duty™

The Heart Fit for Duty (HFFD) Program specializes in the prevention of heart attacks and strokes in the first responder population by focusing on early detection and education of at risk individuals. HFFD program partners with primary care and specialty practitioners by providing additional education and screening

resources beyond the standard of care in 5 major areas: LIPIDS (cholesterol screening and management), Obesity, Hypertension, Diabetes (insulin resistance), and tobacco cessation. Due to the increased risk of heart-related injury or death for public safety personnel, it is requested that the selected Contractor allow HFFD to provide their services within the Health Center. The terms will be negotiated between the Contractor and Heart Fit for Duty.

2.9 SCHEDULING

The Contractor will be responsible for setting up a scheduling system for all services listed above. Staff will be responsible for working directly with city of Glendale and each agency. Currently scheduling is done through a Microsoft Outlook calendar. If the schedule is full during a specific time, the Contractor will need to allow for flexibility in order to schedule a new hire public safety physical that may be required during that timeframe.

2.10 STAFFING REQUIREMENTS

The City envisions the Health Center will provide staff willing to dedicate their time and expertise to develop relationships with employees for the care and management of their health needs. Excellent customer service and knowledgeable caring staff is vital to the existence of the Health Center.

The Contractor will provide and manage medical and administrative personnel to provide Medical Services, Urgent Care, Occupational Health Services and associated administrative support at the Health Center. The Contactor must be able to provide adequate staffing to meet the current and future needs of the Health Center as determined by workload. At a minimum, the Contractor shall provide the staff as set forth on Exhibit B ("Staffing"). Administrative and financial responsibility for all contract medical staff will be the sole responsibility of the Contractor. The Contractor's management responsibility includes, but is not limited to, contracting with, discipline, hiring, firing, compensation and/or benefits and other personnel-related matters with respect to the medical staff, vendors, contractors and sub-contractors.

The City shall have the right to review the qualifications of any staff, including any employee, independent contractor, or subcontractor employed or contracted by the Contactor to provide services under this proposal (collectively "Contractor Personnel"). The City shall have final authority to determine whether any Contractor Personnel, is permitted to provide services under this proposal. If the City objects to any Contractor Personnel, then the Contactor shall, upon notice from the City, remove any such individual from performances of services and provide a replacement who meets the qualifications set in this Solicitation. The City shall have final approval of the replacement staff member.

The City shall have the right to review the qualifications of any employee or independent contractor or subcontractor employed or contracted by the Contactor to provide services as the medical director. The City shall have final authority to accept or object the chosen medical director.

2.10.1 Minimum Contactor Qualifications

2.10.1.1 Five (5) years or more experience in planning, implementing and managing employer-sponsored on-site health and wellness clinics.

2.10.1.2 Demonstrated experience with planning, implementing and managing local government on-site medical clinics.

2.10.1.3 Experience with clients with 2500+ insured and/or covered lives.

2.10.1.4 Significant experience with occupational health programs, preferably with police and fire sworn employee services. This includes a working knowledge of and experience with the AZPOST, the IAFF/IAFC Wellness Fitness Initiative, NFPA 1582 and OSHA 1910 relating to public safety.

2.10.1.5 Experience, trained and certified in FMCSA-DOT physical qualification standards.

2.10.1.6 Experience with DOT Drug and Alcohol Testing requirements.

2.10.1.7 Experience with OSHA pre-employment and on-going occupational health programs and testing requirements.

2.10.1.8 Experience with State of Arizona worker's compensation regulations and reporting requirements.

2.10.2 Other Requirements

2.10.2.1 Nurse to perform initial triage of all workers' compensation injuries.

2.10.2.2 All City employees coming in for their third occupational injury visit will be seen by the M.D or D.O.

2.10.2.3 Public Safety personnel should be seen by the physician for all annual physicals. These physicals are currently conducted Tuesday through Thursday of each week.

2.10.2.4 If a follow-up with a specialist is required for the city of Glendale employees and other public safety agencies, the provider will assist in getting them an appointment within 24-48 hours.

2.10.2.5 Regular meeting with city of Glendale Human Resources and Risk Management and Public Safety to discuss issues, costs, trends, etc.

2.10.2.6 The following results for occupational visits, including completed and signed chain of custody drug and alcohol forms and test results, work status slips and physician notes to be sent immediately or by the end of the business day to the Glendale Human Resources and Risk Management's confidential fax.

2.11 BILLING AND PAYMENTS

The Contractor will be responsible for the payment of any and all compensation and fees to sub-contractors, including medical staff. Contractor will be responsible for billing for all services provided and for collecting fees for medical services rendered. Contractor will also be responsible for accounting, managing and disbursing funds as detailed herein. Contractor will be responsible for maintaining accounting records and reports that are consistent with generally accepted accounting practices and shall make such records and reports available to the City upon request. Contractor will be responsible for the cost and procurement of medical consumables and supplies and also for the disposal of bio-hazardous waste in accordance with applicable laws and regulations.

For Occupational Health Medical Services provided to public safety personnel agencies, the Contractor will bill and collect the fees for services performed from the participating entity.

The Contractor will charge a base fee for each firefighter physical exam during the Term of the Agreement. Fees for tests and services other than those identified in Section 2.2.1 may be charged as agreed to by the City and Contractor.

All other services will be billed in accordance with the agreed upon fee schedule and agreed upon instructions.

2.12 ELECTRONIC MEDICAL RECORDS/COMPUTER SYSTEMS

It will be the responsibility of the Contractor to provide computers and establish a secure network connection. Any associated costs will be the responsibility of the Contractor.

2.13 FACILITIES USE

2.13.1 **Services Included** All Health Center integrated equipment, chairs, tables, general house lighting, heating, air conditioning, restrooms and custodial service is included within this proposal. This does not include the Contractor's desktop computers.

2.13.2 **Damage To Facilities And Equipment** The Contractor is responsible for damage to the Health Center facilities and equipment as well as any

damage caused by the Contractor's guest, agents or sub-contractors. The Contractor shall take all precautions to maintain the Health Center in good repair and restore and return the Health Center back to the city of Glendale upon termination of the Agreement in as good condition as it was provided to the Contractor, ordinary wear excepted. If the Contractor does not maintain the Health Center as required by the Agreement, the city of Glendale may do all things necessary to restore the Health Center to the prior condition with all costs being charged to the Contractor.

2.13.3 **Medical Equipment Replacement Support/Maintenance** If needed, the Health Center may purchase replacement medical equipment or support through the Contractor at the Contractor's base rate.

2.13.4 **Property Liability** The city of Glendale assumes no responsibility whatsoever for any property placed by the Contractor in the Health Center. The Contractor expressly releases and discharges the city of Glendale from any and all liabilities for any loss, injury or damages to property which may or do arise out of or be related to the use of the Health Center under the Agreement. Any additional security or other protective service desired by the Contractor must be arranged for by special agreement with the city of Glendale and the Contractor is responsible for all costs connected with any additional services.

2.13.5 **Competency Of Personnel** The Contractor certifies that all employees, sub-contractors, agents or others assisting or performing on behalf of the Contractor in the Health Center are knowledgeable in the use and operation of the Health Center equipment and facilities authorized under the Agreement.

2.13.6 **Property Left Behind** The city of Glendale assumes no responsibility for personal items, equipment or other items that remain in the Health Center after the expiration of the Agreement.

2.13.7 **Access** The city of Glendale Fire Department reserves the right to control and manage the Health Center and to enforce all necessary and proper rules for its management and operation. Authorized city of Glendale employees will have free access, at all times, to all spaces occupied by the Contractor, with the exception of the medical records or any other information protected by law. If access is needed into the protected areas for cleaning, repairs, etc., advance notice will need to be given to the Contractor. This will allow the medical staff time to secure all patient charts in the locking storage cabinets. A member of the Contractor's staff

will need to remain in the room with the city employee until work is completed.

2.13.8 **Contractor security access card procedures** All assigned Contractor employees will be issued an access card for access to the city facility to which they are assigned. The Contractor will provide, to the Health Center Deputy Chief, the names and job titles of each employee assigned to the Health Center. The Deputy Chief will submit a request for the access cards. Once access cards are received from the City of Glendale Security Office, each employee will be required to sign the COG Security Card Issue form.

2.13.8.1 **Stolen or Lost Access Cards** Contractor shall immediately report lost or stolen access cards to the COG Security Services Coordinator at (623) 930-3056. A new Security Card Issue form shall be completed and submitted prior to issuance of a new access card.

2.13.8.2 **Return of Access Cards** All access cards are the property of the City of Glendale and must be returned to the Health Center Deputy Chief within one (1) business day of when the Contractor's employee access to a City facility is no longer required to furnish the services under this Agreement. Contractor shall collect an employee's access card upon termination of the employee's employment; when the employees services are no longer required at the particular City facility; or upon termination, cancellation or expiration of this Agreement.

2.14 **FACILITY LEASE**

The city of Glendale Fire Department will charge the Contractor a monthly lease amount of $1.25 per square foot, or $7,500 per month. The lease will help offset medical equipment maintenance and repairs; Health Center wear-and-tear; as well as provide funding for any future medical equipment replacement needs.

3.0 SPECIAL TERMS AND CONDITIONS

3.1 INCORPORATION BY REFERENCE All responses shall incorporate by reference the Scope/Specifications, terms and conditions, general instructions and conditions and any attachments. The Standard Terms and Conditions applicable to this solicitation are posted on the Internet. They are available for review and download at the City's Materials Management Internet home page, www.glendaleaz.com/purchasing. Offerors are advised to review all provisions of the General Instructions and Conditions for this solicitation.

3.2 RETURN OF OFFER **One (1) hard copy marked as "original", one (1) CD-ROM or flash drive containing all original documents in native Microsoft Word or Excel (PDF format will be acceptable), five (5) copies marked as copies.** The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. **The sections of the submittal should be tabbed, clearly identifiable and should follow the instructions noted in the Proposal Evaluation Requirements section of this RFP.** Failure to include the requested information may have a negative impact on the evaluation of the Contractor's proposal.

The Contractor shall complete all sections of the solicitation in the format given in the space provided. If additional space is needed than what is given, enter "See attachment for detail."

3.3 PREPARATION OF OFFER PACKAGE Only the following items shall be completed and returned. Failure to include all the items may result in an offer being rejected. Offer packages shall be submitted in the following order:

- 3.3.1 **OFFER SHEET**, Section 4.0
- 3.3.2 **PRICE SHEET**, Section 5.0
- 3.3.3 **ADDENDUM**, Return all addenda (if applicable).
- 3.3.4 **SPECIFICATIONS**, Section 1
- 3.3.5 **REFERENCES**, Section 2, Item 2.16
- 3.3.6 **COLLATERAL MATERIAL:** Additional collateral materials requested and those you feel would be necessary to better understand the products or service you are proposing.

3.4 ALTERNATE OFFERS/EXCEPTIONS Offers submitted as alternates, or on the basis of exceptions to specific conditions of purchase and/or required specifications, must be submitted as an attachment referencing the specific paragraph number(s) and adequately defining the alternate or exception submitted. Detailed product brochures and/or technical literature, suitable for evaluation, must be submitted with the Offer. If no

exceptions are taken, City will expect and require complete compliance with the specifications and all conditions of purchase.

3.5 **EVALUATION CRITERIA** The criteria is listed with their relative weights.

3.5.1 Experience or Service and Professional Effort 25%

3.5.2 Compliance with Specifications/Method of Approach 30%

3.5.3 Fee Structure 35%

3.5.4 References 10%

3.6 **INQUIRIES** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. A Contractor shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Contractors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such; otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

3.7 **EVALUATION PANEL** Submittals will be evaluated by an evaluation panel. Award shall be made to the responsive, responsible Offeror whose proposal is determined to be the most advantageous to the City.

3.8 **PANEL CONTACT** Contractor shall have no exclusive meetings, conversations or communications with an individual evaluation panel member on any aspect of the RFP, after submittal.

3.9 **INTERVIEWS** The City reserves the right to conduct interviews with some or all of the Contractors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the Contractor for the costs associated with the interview process.

3.10 **ADDITIONAL INVESTIGATIONS** The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any Contractor submitting a proposal.

3.11 **PRIOR EXPERIENCE** Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

3.12 **BEST AND FINAL OFFERS** The City may request best and final offers if deemed necessary, and will determine the scope and subject of any best and final request.

3.13 **PROPOSAL EVALUATION** The City reserves the right to secure additional information from the Contractors in various forms and or to award based on submitted information.

3.14 **DISCUSSIONS AND REVISIONS TO PROPOSAL** Discussions may be conducted with responsible Contractors who submit proposals determined to be reasonably susceptible of being selected for award; and may obtain pertinent information for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Should the City elect to call for 'best and final' offers, Contractor's shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing Contractor's. The purposes of such discussions shall be to:

3.14.1 Determine in greater detail such Contractor's qualifications, and

3.14.2 Explore with the Contractor the scope and nature of the project, the Contractor's proposed method of performance, and the relative utility of alternate methods of approach;

3.14.3 Determining that the Contractor will make available the necessary personnel and facilities to perform within the required time;

3.14.4 Agreeing upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity and nature of such services.

3.15 **PRICE** All prices quoted shall be firm and fixed for the specified contract period.

3.16 **FOB POINT** Prices quoted shall be FOB destination to: City of Glendale.

3.17 **TERM OF AGREEMENT** The initial term of the contract shall be two (2) year upon approval by the City Council.

3.18 **OPTION TO EXTEND** The City may, at its option and with the approval of the contractor, extend the term of this agreement three (3) additional years in one (1) year increments based on satisfactory contractor performance. Contractor shall be notified in

writing by the City Materials Manager of the City's intention to extend the contract period at least 30 calendar days prior to the expiration of the original contract period. Price adjustments will only be reviewed during contract renewal.

3.19 **EVALUATION LITERATURE** Proposals submitted for products considered by the seller to be equal to or better than the brand names or manufacturer's catalog references specified herein, must be submitted with technical literature and/or detailed product brochures with written statements if the literature or brochure is not specific as to the specification for the City's use to evaluate the product(s) offered. Proposals submitted without this product information may be considered as non-responsive and rejected.

3.20 **INSURANCE** Contractor, performing as an independent contractor hereunder, shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that by Contractor, his agents, representatives, employees or subcontractors as detailed below. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

Contractor shall provide General and Automobile Liability, Professional Liability, Workers' Compensation and Employer's Liability Insurance The insurance shall be the primary and non-contributory coverage and none of the city's insurance or self-insurance shall contribute to it. The coverage limits of such insurance shall not be less than those listed below.

The insurance company issuing the policy required above shall have an AM Best financial rating of "A- VII" or better and be authorized by the State of Arizona Department of Insurance to transact business within the State. **The General and Automobile liability certificate and policy shall name the City, its officers, directors, employees, agents and assignees as an additional insured The City shall also be an additional insured to the full limits of the liability insurance purchased by the Contractor even if those limits are in excess of those required by this contract.**

The City reserves the right to terminate any Contractor agreement if the Contractor fails to maintain such insurance coverage. Failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them.

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Contractor must provide certificate of insurance and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required below. All certificates and endorsements are to be received and approved by the City within ten (10) calendar days after notification of award. Certificate must include: name and address of insurance company; policy number; liability coverage amounts; a statement the policy will not be canceled or failed to be renewed without ten (10) days written notice to the City.

Certification to be submitted to: Materials Management, 5850 West Glendale Avenue, Suite 317, Glendale, Arizona 85301.

Type of Insurance (Minimum)	Limits of Liability
Workers' Compensation	Statutory
Employer's Liability	
Each Accident	$1,000,000
Disease-Each Employee	$1,000,000
Disease-Policy Limit	$1,000,000

Commercial General Liability shall cover liability arising from bodily injury, property damage, products-completed operations, personal and advertising injury, independent Contractors, and broad form contractual coverage.

Each Occurrence	$5,000,000
Personal and Advertising	$5,000,000
General Aggregate	$10,000,000
Products-Completed Operations	$5,000,000
Fire Damage Legal Liability	$500,000.00

Automobile Liability – Including bodily injury and property damage for any owned, hired and non-owned vehicles used in the performance of the services.

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

Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services appropriate to the contractor's profession with limits, not less than $5,000,000 per claim and $10,000,000 aggregate If higher limits are maintained, the City requires and shall be entitled to coverage for the higher limits.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of contract work.

3.21 **WORKER'S COMPENSATION** Contractor shall be in full compliance with the provisions of the Arizona Worker's Compensation Law (Title 23, Chapter 6, Arizona Revised Statutes) as amended, and all rules and regulations of the Industrial Commission of Arizona made in pursuance thereof. Contractor shall secure payment of compensation to employees by insuring the payment of such compensation authorized by the Insurance Department of Arizona to transact business in the State of Arizona.

Contractor further agrees that he shall require any and all sub-contractors performing work under the agreement to comply with said Worker's Compensation Law. It is expressly understood and agreed that all persons employed directly or indirectly by the Contractor, or any of his sub-contractors, shall be considered the employees of such Contractor, or his sub-contractor(s), and not the employees of the City.

3.22 **NOTICE OF INTENT TO AWARD AND PROTEST PERIOD** Information about the recommended award for this solicitation will be posted on the Internet. The information will be available for review on the City's Materials Management Internet home page www.glendaleaz.com/purchasing immediately after the City has completed its evaluation process of the offers received. If you have any questions, or would like further information about an intended award, contact the contract analyst immediately. Any protest must be submitted to the Materials Manager no later than seven (7) calendar days from the date of posting on the Internet.

3.23 **COOPERATIVE USE OF CONTRACT** This agreement may be extended for use by other governmental agencies and political subdivisions of the State, including all members of SAVE (Strategic Alliance for Volume Expenditures). Any such usage by other entities must be in accord with the ordinances, charter, rules and regulations of the respective entity and the approval of the Contractor and City. For a list of SAVE members, click on the following link: http://www.maricopa.gov/Materials/save.aspx.

3.24 **PERMITS AND LICENSES** – The Contractor shall be responsible for determining and securing, at his/her expense, any and all licenses and permits that are required by any statute, ordinance, rule or regulation of any regulatory body having jurisdiction in any

manner connected with providing operations and maintenance of the facility. Such fees shall be included in and are part of the total proposal cost. During the term of the contract, the Contractor shall notify the City in writing, within two (2) working days, of any suspension, revocation or renewal.

3.25 **PUBLIC RECORD** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.

3.26 **CONFIDENTIAL INFORMATION** The City of Glendale is obligated to abide by all public information laws. If a Contractor believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the Contractor submits a formal written objection.

3.27 **CERTIFICATION** By signature on the Offer page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Contractor certifies:

3.27.1 The submission of the offer did not involve collusion or other anti-competitive practices.

3.27.2 The Contractor shall not discriminate against any employee or applicant for employment in violation of Federal or State law.

3.27.3 The Contractor has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.

3.27.4 The Contractor hereby certifies that the individual signing the submittal is an authorized agent for the Contractor and has the authority to bind the Contractor to the Contract.

3.28 **WITHDRAWAL OF PROPOSAL** At any time prior to the specified solicitation due date and time, a Contractor may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Contractor or a designated representative. Telephonic or oral withdrawals shall not be considered.

3.29 **DISCUSSIONS** The City reserves the right to conduct discussions with Contractors for the purpose of eliminating minor irregularities, informalities, or apparent clerical

mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.

3.30 **CONTRACT NEGOTIATIONS** Exclusive or concurrent negotiations may be conducted with responsible Contractor(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Contractors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing Contractors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any property rights to the successful Contractor. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

3.31 **PERFORMANCE SURETY REQUIREMENTS** The performance sureties shall be in the form of a bond. A cashier's check, certified check, money order, personal or company checks are not acceptable. Letters of credit are not acceptable. Individual sureties are not acceptable.

PERFORMANCE SURETY The successful proposer shall, at the time of entering into the contract, furnish a performance surety in the form of a bond in the amount of $75,000 guaranteeing the faithful performance of the contract by the proposer.

The bond must be written by a surety with a Best Rating no less than an A and must be authorized and licensed to do business in this State by the Arizona Department of Insurance. Individual sureties and letters of credit are not acceptable.

3.32 **ADDITIONS OF SERVICE** Additional service may be added from time to time. If this occurs, the Contractor will be requested to submit a negotiable quotation for the additions. Upon approval and authorization by the Materials Manager such additions will be added to and become a part of the contract through properly executed forms.

3.33 **PUBLIC RECORD** Contractor acknowledges that the City is a public agency and must comply with all Public Records laws. All proposals submitted in response to the Solicitation shall become the property of the City and, subsequent to award recommendation, become a matter of public record available for review pursuant to Arizona Public Records Law.

If a Contractor believes that a specific section of its Proposal response is confidential, that should be withheld from the public record, Contractor shall isolate the pages and mark each page confidential in a specific and clearly labeled section of its Proposal response. The Contractor shall include a written statement as to the basis for considering

the marked pages confidential including the specific harm or prejudice if disclosed. The City Materials Management Division will review the material and make a determination as to the confidentiality of any of the information and/or material contained within the Submittal. In the event of a public records request for documents Contractor deems confidential, the City will notify Contractor of the request and if Contractor claims such documents are confidential, it shall be the Contractor's sole responsibility, including sole cost, to take appropriate action, including legal action, to protect such documents.

3.34 **NO CONTACT, NO INFLUENCE DURING THE RFP PROCESS** The City is conducting a competitive RFP process for the contract, free from improper influence or lobbying. There shall be no contact concerning this RFP from Contractors submitting a Proposal with any member of the City Council, RFP Evaluation Committee Members, or anyone connected with the process for or on behalf of the City. Contact includes direct or indirect contact by the Contractor, its employees, attorneys, lobbyists, surrogates, etc. in an attempt to influence the RFP process.

From the time the RFP is issued until the expiration of the protest period or the resolution of any protest, whichever is later (the "Black-Out Period"), Contractors, directly or indirectly through others, are restricted from attempting to influence in any manner the decision making process through, including but not limited to, the use of paid media; contacting or lobbying the City Council or City Manager or any other City employee (other than Material Management employees); the use of any media for the purpose of influencing the outcome; or in any other way that could be construed to influence any part of the decision-making process about this RFP. This provision shall not prohibit a Contractor from petitioning an elected official or engaging in any other protected first amendment activity after the protest period has run or any protest has been resolved, whichever is later.

Violation of this provision will cause the proposal or offer of the Contractor to be found in violation and to be rejected.

3.35 **KEY PERSONNEL** Contractor shall assign specific individuals to the key positions in support of the Contract. Once assigned to work under the Contract, key personnel shall not be removed or replaced without the prior written approval of the City. Upon the replacement of any key personnel, Contractor shall submit the name(s) and qualifications of any new key personnel to the City Contract Administrator or Designee. With the concurrence of the Contract Administrator or Designee, the City shall amend the Contract to reflect the name(s) of any replacement key personnel. Upon any unplanned departure of key personnel, Contractor shall immediately notify the Contract Administrator or Designee.

4.0 SUBMISSION REQUIREMENTS AND QUESTIONNAIRE

(See Evaluation Criteria for percentage breakdown in Section 3, #3.3)

Contractors may submit additional information to assist the evaluation team in determining your firm's capabilities and experience; however, your firm at a minimum must submit the following:

Please provide written, narrative responses for each item requested within the categories below: When applicable, please attach supporting documents and reference the appropriate category.

4.1 EXPERIENCE OR SERVICE AND PROFESSIONAL EFFORT 25%

4.1.1 Contractors shall describe in detail your firm's experience and qualifications in successfully running a medical occupational health services center similar to Glendale Health Center.

4.1.2 Include a cover letter, a company profile that details your company's history, business philosophy, management, operations, locations, number of employees, years of experience and other pertinent details.

4.1.3 Provide necessary resources and show a history of demonstrated competence. Include a bio of the key personnel, account manager and day-to-day service staff and all other staff assigned to this project.

4.1.4 Contractor shall describe similar clients and provide details on projects undertaken.

4.1.5 Provide your experience with city government and public safety to include AZPOST and NFPA.

4.1.6 Provide your experience with Department of Transportation and Federal Motor Carrier System Agency drug and alcohol and commercial driver's license medical certification exams.

4.2 COMPLIANCE WITH SPECIFICATIONS/METHOD OF APPROACH 30%

4.2.1 Contractors shall clearly provide a written understanding of the requirements, specifications, meeting the terms and conditions of the RFP and matching the proposed methods to accomplish work and timelines.

4.2.2 Please provide a description of your approach to this opportunity (e.g. valuation, staffing). Please provide a detailed statement outlining the level of support expected from City.

4.2.3 Contractor shall provide in detail their record management methodology.

4.3 FEE STRUCTURE 35%

4.3.1 While cost is a significant factor in considering the placement of the awards, it is not the only factor. The award will not be based on price alone, nor will it be based solely upon the lowest fees submitted.

4.3.2 The Contractor shall provide concurrence to the facility lease terms as identified under Section 2.0 #2.14.

4.3.3 The Contractor shall include a project schedule for implementation of service requirements. Contractor shall complete section 6.0 Price Sheet and include support documentation should it be necessary.

4.4 REFERENCES 10%

4.4.1 Provide with the offer a list of four (4) client references, preferably letters of reference from companies for whom Contractor has provided similar products/services in the last two-years. Also include company name, address, phone number, contract person, a description of the products/services provided with a description of any major variation to the requirements of this RFP. References must be in writing and included with Contractor's response. Reference contact information only is not a viable substitute.

QUESTIONNAIRE

4.5 VENDOR QUESTIONNAIRE

4.5.1 Contractor shall complete the questionnaire as attached in Microsoft Excel. Responses must be submitted in hardcopy format as well as the native Microsoft Excel format. The city at its discretion may utilize the questionnaire as a tool in evaluating proposals received.

GLENDALE AZ	**SOLICITATION NUMBER: RFP 14-07** **MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER**	**CITY OF GLENDALE** **Materials Management** **5850 West Glendale Avenue, Suite 317** **Glendale, Arizona 85301**

5.0 OFFER SHEET

5.1 OFFER Offeror certifies that they have read, understand, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror also certifies that the prices offered were independently developed without consultation with any of the other Offerors or potential Offerors.

Authorized Signature	Company's Legal Name
Printed Name	Address
Title	City, State & Zip Code
Telephone Number	FAX Number
Authorized Signature Email Address	Date

For questions regarding this offer: (If different from above)

Contact Name	**Phone Number**	**Fax Number**

Email Address

FEDERAL TAXPAYER ID NUMBER: _____

Arizona Sales Tax No. _____ Tax Rate _____

Offeror certifies it is a: Proprietorship ____ Partnership ____ Corporation ____

Minority or woman owned business: Yes _____ No _____

6.0 PRICE SHEET

6.1 SERVICE FEE

ITEM	DESCRIPTION OF SERVICE	COST
1	Appointments Scheduling: Same Day	$
2	Annual Physical Exams	$
3	CBD with Diff (Complete Blood Count)	$
4	CMP (Comprehensive Metabolic)	$
5	Coordinate/Bill Worker Compensation Claims	$
6	DOT/CDL Physical Exams	$
7	DOT/Non-DOT Drug and Alcohol Screens	$
8	AZPOST Drug/Alcohol Screens	$
9	EKG	$
10	Employee Assistance Program referral	$
11	Flu Shots	$
12	Functional Movement Test (Fire/Police) Included in the Fire physicals	$
13	Immunizations & Injections	$
14	Initial Fracture Care	$
15	IV Hydration	$
16	Lab Draws/Testing (CLIA)	$
17	Lift Test	$
18	Occupational Therapy	$
19	On-call Services for Post-Exposure Prophylaxis (PEP)	$
20	Evaluation and treatment of first aide injury	$
21	Evaluation and treatment of initial workers' comp injury	$
22	Follow up treatment of workers' comp injury	$
23	Pharmacy	$
24	Physical Therapy	$
25	PPD (TB Skin Test)	$

Company Name _____

ITEM	DESCRIPTION OF SERVICE	COST
26	Pre-employment Physicals	$
27	Prostate Exams	$
28	Auditory Function Tests	$
29	Vision Tests	$
30	Public Safety Physicals (Police & Fire)	$
31	Pulmonary Function Tests	$
32	Radiology (administer in-house, send out for reading)	$
33	Randomizing of Drug & Alcohol Screens	$
34	Routine Hearing Services (CDL Requirements)	$
35	Routine Vision Services (CDL Requirements)	$
36	Sick Visits	$
37	Spirometry (lung function) (Fire/Police)	$
38	Stress Tests	$
39	Surgical Procedures (Minor: Sutures, etc.)	$
40	Urinalysis (for CDL, Random, Etc.)	$
41	Walk-In Services: Non-worker's comp	$
42	Feel free to list additional services we have left out.	$
43	If you have a Lab contract please provide the Lab testing capabilities. List associated pricing , by CPT code, in your Cost Proposal.	$
44	Please describe your quality assurance program or process.	$
45	Would you be willing to offer a discount for annual public safety physicals to the Glendale Regional Public Safety Training Center partners? If so, please include the discounted price. (Partners: Avondale Fire, Peoria Fire, Surprise Fire, Glendale Fire/PD, MCCCD)	$

6.3 DISCOUNT/PAYMENT TERMS: The City standard is 2% 20 days

Comply: YES ☐ NO ☐
If your answer is NO, please state terms offered: _____

6.4 TAX AMOUNT Do not include any use tax or federal tax in your proposal. The City is exempt from the payment of federal excise tax and will add use tax as applicable.

Company Name _____

7.0 **PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:
That _____ (hereinafter called the "Principal"), as Principal, and _____, a corporation organized under the laws of the State of ____, (hereinafter called the "Surety"), as Surety, are held and firmly bound unto the City of Glendale, a municipal corporation in the State of Arizona (hereinafter called the "Obligee"), as Obligee in the amount of _____ Dollars ($ _____), for the payment whereof the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated the _____ day of _____, 20___, whereby Principal agreed to _____
_____
which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW THEREFORE, the condition of this obligation is such that, if Principal shall faithfully perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract, with or without notice to the Surety, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all authorized amendments, modifications or exercise of options to said contract that may hereafter be made between the Principal and Obligee, notice of such amendments, modifications or exercise of options to this Surety being hereby waived, then this obligation shall be null and void, otherwise to remain in full force and effect.

The prevailing party or any party which recovers judgment on this bond shall be entitled to such reasonable attorney's fees as may be fixed by the Court.

Signed this ____ day of _____, 20 ____.

"Principal"

By: _____

Its: _____

"Surety"

By: _____

8.0

EXHIBIT A
Occupational Health Medical Services
EQUIPMENT

The City will provide and maintain the following equipment:

Type of Equipment	COG inventory ID	Serial number	Location
Copier	COG16559	TND03424	GRPSTC –HC24
X-Ray machine	COG25531	170-11893	GRPSTC – HC7
Pulmonary machine	COG23788	AJS01277	GRPSTC – HC15
Hearing test machine	COG23779	BC 181 559	GRPSTC – HC6
Treadmill 1	COG23780	Q5005279	GRPSTC – HC4
Treadmill 2	COG23781	Q5005278	GRPSTC – HC5
Vision tester 1		815600299	GRPSTC – HC17
Scale 1		4020057900	GRPSTC – HC18
Scale 2		4020057905	GRPSTC – HC19
Microwave		801TAXT02098	GRPSTC – HC32
Refrigerator 1		DR312701	GRPSTC – HC13
Refrigerator 2		AR312536	GRPSTC – HC32

9.0 **EXHIBIT B**

Urgent Care and Occupational Health Medical Services

STAFFING

The procedure for staffing physicians for the day-to-day medical operations of the Health Center shall be the responsibility of Contractor. Contractor may provide staffing as follows:

a. At least one of the positions, physician/medical director or physician assistant, shall be full time; i.e., full time physician/medical director and part time physician assistant or part time physician/medical director and full time physician assistant.

b. A pool of no more than four (4) physicians will be assigned to provide coverage for peak work time or relief time, as needed and dictated by work flow. Contractor will seek to provide physicians with a current affiliation with a Level 1 Trauma Facility and access to toxicology referral within one (1) hour of request.

c. **PHYSICIAN**: MEDICAL DOCTOR/DOCTOR OF OSTEOPATHY-MEDICAL DIRECTOR – FULL OR PART TIME (Permanently Assigned)

    a. A medical doctor/doctor of osteopathy will act as the medical director of the Health Center and must be qualified and capable of performing the following responsibilities:

        1) Director will act as the liaison between the contracted clinical staff the Health Center Deputy Chief and Glendale Human Resources and Risk Management. In addition, the director/doctor will perform baseline physicals; infectious and hazardous exposure examinations; will implement ongoing wellness programs for fire department personnel and City employees; will evaluate industrial injuries, and will serve as the Certified Medical Review Officer (MRO) for the City's drug and alcohol testing program.

        2) Responsible for performing all elements of physical examine in accordance with NFPA 1582 and AZ POST.

        3) Responsible for performing all elements of City's physicals, pre-employment physicals for City employees and potential employees in "non-safety" sensitive positions and in compliance with DOT and FMCSA.

        4) Will perform consultations for City employees and potential employees with infectious exposure to HIV, hepatitis C and B, tuberculosis, and all other infectious exposures.

5) Will interface with City employees and their primary care physicians to assure proper health care.

6) Will develop, update and revise procedures with regard to medical monitoring, fitness maintenance, and stress management as needed.

7) Will participate in research projects regarding public safety and city of Glendale employee health and fitness.

8) Will prepare and present educational materials to public safety and city of Glendale employees for training relating to health and wellness.

b. Minimum Qualifications:
Must be licensed M.D. or D.O. in the State of Arizona and have a valid ACLS certification. Must demonstrate substantial experience in the following areas: internal medicine, cardiovascular disease, medical toxicology, and occupational medicine. Must be familiar with and have experience working within the requirements of NFPA 1582, IAFF/IAFC Wellness/Fitness Initiative, AZ POST and OSHA regulations, as well as DOT Drug and Alcohol collection and testing and Industrial Commission of Arizona Rules.

d. **PHYSICIAN ASSISTANT** - FULL OR PART TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will perform baseline physicals; evaluate, treat and follow up on industrial injuries and infectious and hazardous exposures.

2) Will support and implement on-going wellness program for fire department personnel and city of Glendale employees.

3) Will evaluate lab assessments and stress treadmill to assess fitness for duty for fire fighters in accordance with NFPA 1582.

4) Will perform pre-employment physicals for City employees and potential employees.

5) Will perform DOT/FMCSA exams and interface with city employees and their primary care physician to assure proper health care.

6) Will perform Drug and Alcohol testing for city employees and potential employees in accordance with DOT/FTA and FMCSA.

7) Will interface with fire fighters, police officers, and City employees and their primary care physician to assure proper health care.

8) Will develop, revise and update health care, policy, and other procedures at the Health Center, as needed.

9) Will participate in research projects in public safety and city of Glendale employees health and wellness.

10) Will prepare materials a necessary to assist in the health care and fitness training of public safety and city of Glendale employees.

b. Minimum Qualifications.
Must be nationally certified through the NCCPA, hold a current Arizona license, have an established DEA number, and be ACLS certified. Must demonstrate substantial experience in the following areas: family practice, occupational medicine, preventive medicine, or sports medicine. Must be familiar with and have experience working within the requirements of NFPA 1582 and the IAFF/IAFC Wellness/Fitness Initiative, AZ POST, OSHA Regulations, and DOT/FTA and FMCSA regulations and Industrial Commission of Arizona Rules.

5. **CLINICAL MANAGER/REGISTERED NURSE** - FULL TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will assist with preparation of charts and management of the flow of patients.

2) Will perform back office evaluations, vision, pulmonary function, hearing, and body composition examinations.

3) Will perform first aid physicals, evaluate, treat and follow up on industrial injuries

4) Will perform phlebotomy and administer medications as needed.

5) Will perform resting 12-lead EKS's and stress tests.

6) Will assist with infectious exposure consults and follow-ups.

7) Will transcribe back office evaluations onto medical records.

8) Will assist physicians with data collection for studies.

9) Will assistant physicians with treatment of medical patients.

10) Will assist with maintenance and stocking of medications and medical supply inventory.

b. Minimum Qualifications.
Registered nurse in the state of Arizona with experience in occupational medicine, orthopedics and infectious disease. Must be ACLS certified, having two years experience in treadmill testing, immunizations and schedules. Must be familiar

with and have experience working within the requirements of NFPA 1582 and the IAFF/IAFC Wellness/Fitness Initiative, AZPOST,OSHA Regulations, and DOT/FTA and FMCSA Regulations and Industrial Commission of Arizona Rules.

6. **CERTIFIED RADIOLOGY TECHNICIAN (CRT)** - FULL TIME (Permanently Assigned)

   a. Must be qualified and capable of performing the following responsibilities:

      1) Will conduct on-site x-rays for annual physicals, urgent care and industrial injuries.

      2) Will assist with all aspects of physical exams, phlebotomy, vision, hearing, and patient flow.

      3) Will be accountable for the ethical, legal and professional responsibilities related to radiology practice and patient confidentiality.

      4) Will monitor and maintain an adequate inventory of supplies and material to ensure non-interruption of services.

      5) Will prepare and maintain accurate documentation.

   b. Minimum Qualifications.
   Must be Board Certified in Arizona with a certification, or diploma, from an approved/accredited school of Radiology Program with a minimum of two year's experience.

7. **MEDICAL ASSISTANT** – FULL TIME (Permanently Assigned)

   a. Must be qualified and capable of performing the following responsibilities:

      1) Will assist with all aspects of physical exams, phlebotomy, vision, hearing, and patient flow.

      2) Will be accountable for the ethical, legal and professional responsibilities related to patient confidentiality.

      3) Will monitor and maintain an adequate inventory of supplies and material to ensure non-interruption of services.

      4) Will prepare and maintain accurate documentation.

      5) May be responsible for scheduling public safety physicals.

b. Minimum Qualifications.
Must have successfully completed a Medical Assistant Program through an accredited Institution with a minimum of two years' experience.

The Medical Assistant could fulfill the role of the receptionist/scheduler. See responsibilities below.

8. **RECEPTIONIST/SCHEDULER** - FULL OR PART TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will be responsible for patient's medical and immunization record data entry.
2) Will answer telephones.
3) Will maintain sign-in log for both medical and industrial patients.
4) Will record all patients' visits in the computer.
5) Will prepare computerized medical charge sheets.
6) Will perform light typing for chart preparation.
7) Will verify appointments and prepare charts for physical examines.
8) Will assist patients with industrial paperwork
9) Will provide via fax industrial injury medical notes and work status information to Human Resources and Risk Management following all industrial visits.
10) Will provide via fax a copy of CDL Medical Certification cards to Human Resources and Risk Management.

b. Minimum Qualifications.
Must have a minimum of one year of experience working in a medical office. Ability to type 30 wpm, basic computer skills, ability to handle up to three incoming phone lines and pleasant communications over the telephone. Must have medical back office skills and experience, and the ability to interact professionally with City personnel and medical personnel.

&

Response to Request for Proposal to provide:

City of Glendale
Materials Management
5850 West Glendale Ave., suite 317
Glendale, Arizona 85301

MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER
SOLICITATION NUMBER: RFP 14-07

May 20, 2014

Jim Maher
STI Rehab

Dr. Kevin Ladin
Urgent Care Extra

Dr. Robert Levitin
Medical Director

City of Glendale Wellness Clinic
Executive Summary

STI Physical Therapy & Rehabilitation appreciates the opportunity to provide this Proposal for Medical/Occupational Health Services at the Glendale Health Center, which operates out of the Glendale Regional Public Safety Training Center. STI has more than 50 combined years of established trust in meeting the workforce health needs of major corporations and government agencies. Strength Training is highly qualified and well positioned to provide the services requested. STI has associated with Urgent Care Extra for this proposal to expand the offering to include their locations as additional healthcare service sites. This response contains customized recommendations and suggestions specific to your business needs and requested services.

Strength Training & Urgent Care Extra are proven experts in proactive injury/illness prevention initiatives and cost-effective programs.

> The **Mission** is to serve the community with high quality cost-effective occupational health, urgent care, and rehab services to enhance employee health and reduce your financial exposure to work-related injury claims.
>
> The **Vision** is to effectively and efficiently meet health care needs provided by compassionate and quality driven experts
>
> The **Culture** creates an environment that exemplifies commitment to the best quality patient outcomes.

This proposal identifies a customized solution for the City of Glendale Health Clinic to provide evaluations and services that improve the health of your employees and protect your communities.

STI's top priority is to provide the highest quality product offering based on service and quality performance. STI's representatives are available to meet with you to review our proposal, answer questions, and to discuss how the services described can be implemented in an efficient and cost-effective manner.

Vendor Response:

OVERVIEW

STI and their associated partner Urgent Care Extra can provide personalized occupational health care services at the Glendale Health Center and throughout their combined network of 51 clinic locations (Attachment A provides all clinic locations). The Associated Group delivers primary and rehabilitative care, including diagnosis, treatment, and management of work-related illnesses. They are experts in proactive injury/illness prevention initiatives and cost-effective programs. The Associated Group is able to also provide a full complement of non-injury, employment-related health services, including physical examinations, pre-employment physical exams, substance abuse testing, job-specific return-to-work evaluations, employee wellness, functional capacity evaluations, injury specific rehabilitation programs, and other related services.

The associated group is able to also provide Urgent Care Services in fourteen valley locations, including three in the city of Glendale. They are experienced in all areas related to OSHA regulations, NFPA Standards, DOT physicals and POST guidelines. The affiliation with Urgent Care Extra enhances employees, family members and associated member agencies with easy and convenient access to urgent care and occupational health services. This affiliation extends the reach of the Health Center and will assist the City to minimize lost time and productivity from work duties.

As an experienced provider of employee health services, we are able to offer a full array of treatment options and solutions that enhance the health of your employees as well as ensure their recovery. We offer the ability to provide statistical information that identifies trends and potential predictions of employee health issues. We ensure that through our system efficiencies, we are focusing on reducing your healthcare costs while providing the best treatment with the best outcomes.

STI is the incumbent and has been responsible for the management of the Health Center since its inception in 2009. STI offers an innovative solution to resolve the issues of inadequate health care coverage in the area of employee health and urgent care services for the Glendale employees and families. STI offers the experience of over 40 years of providing Occupational Health services with the association of extensive coverage and knowledge of providing Urgent Care services. This affiliation offers to transform your services into a more efficient management and utilization of your health care dollar.

STI rehab was established in 1987 and currently provides rehab and preventative health services to the City of Phoenix (awarded by competitive bid), State of Arizona, Rural Metro Corporation, City of Tempe, City of Glendale Fire Department, multiple school systems throughout the valley and thousands of injured workers.

STI employs 100 people statewide in 10 clinic locations. And, offers an extended network of 150 plus physical therapy and rehabilitation clinics throughout the state. STI has been the leader in medical rehabilitation, fitness, wellness and health services for firefighters and first responder personnel 1981. Our excellent reputation with valley fire and police departments is longstanding. We often are approached by outside agencies and providers requesting information and education. The fact is, there is no local provider who can match the level of experience and knowledge that the STI group has with public safety personnel. This familiarity with fire and police personnel cannot and should not be understated since the Glendale Health Center primarily serves this population.

Though occupational and urgent care medicine are newer service lines for STI we are no less capable. Under our leadership, management and partnership with Glendale Fire, the City and Scottsdale Healthcare the Health Center has grown to be a successful venture. If awarded this contract we expect to continue our work and expand the reach of the Health Center even further.

Urgent Care Extra was established in 2003 and currently provides urgent care, including occupational injury care and examinations, in 41 locations in multiple states. It employs 200 throughout the valley with three Glendale locations.

The Affiliated Group is led by the following individuals who will assume key roles in the servicing of this contract (CV's Attached):

STI Rehab's President and Owner is **Jim Maher.** Jim is a former Glendale fire fighter who opened the first STI clinic in 1981. Jim has over 30 years in working with injury prevention, rehab and wellness programs. He is an Arizona native and is well respected within the Arizona work comp community. Jim was instrumental in the opening of the City of Phoenix Fire Health Center. More recently Jim was instrumental in the start-up, implementation and management of the Glendale Health Center and has maintained his involvement.

STI's Occupational Health Medical Director is **Robert Levitin, MD.** He is Board Certified in Occupational Health with a long history of providing medical surveillance physicals, injury care, and preventative medicine for area employers.

STI Rehab's **Mark D. Hyland, OTR/L, CHT** has been the Clinical Director since 1994. Mark is a licensed occupational therapist, certified hand therapist and Diplomate of

the American Board of Disability Analysts. Mark has lead the clinics growth in quality and expertise while serving as a consultant for multiple companies in the area of injury prevention and education, utilization and quality occupational rehabilitation services. In 1994/95 he designed the firefighter specific functional evaluation used to this day to help determine work fit status of injured firefighters.

Kevin Ladin, MD is board certified in physical medicine and rehabilitation and pain management. He has been a long time and well-respected physician in the local workers compensation community. Dr. Ladin is the Medical Director for occupational health and medicine service for Urgent Care Extra. Adding the specialty of physical medicine and rehabilitation enhances the services already being provided at the Health Center and makes them quite unique.

STI will administer all testing according to NFPA 1582, OSHA and P.O.S.T. standards. We have written protocols for each OSHA standard including the testing (surveillance examinations, pulmonary function, audiometric and laboratory). We will follow the testing requirements set forth by the city. We also ensure that all personnel have the appropriate certifications to perform all testing, including audio, pulmonary function and stress testing.

In addition, STI personnel are well familiar with the *Fire Service Joint Labor Management Wellness/Fitness Initiative*. They will use the Initiative as a guide to providing and implementing the health and wellness services of the Center.

AMINISTRATION OF CONTRACT

STI will ensure that comprehensive occupational health, wellness and urgent care services will continue to be made available at the Glendale Health clinic and the Urgent Care Extra sites.

We agree to all Contract Goals as dictated by the Request for Proposal #RFP 14-07, including but not limited to Insurance requirements, Billing notices, Safety standards, Surety Bond, facility licensing and accreditation, etc..

If awarded the contract, STI intends to meet with designated City of Glendale representatives to review the testing protocols and examination components. STI will enter the components into our database whereas all protocols will be available to STI providers. Included in the protocol development are service costs, communication of results, and billing information. Completed ICA form 102 will be submitted to the Risk Management Department immediately following treatment.

Just as has been occurring currently, STI will provide detailed invoices for non-injury care. Injury care is billed according to the ICA fee schedule and a 20% discount is taken at time of payment. All billing is generated on a daily basis. In the event that a billing issue should arise, the issue will be addressed immediately and re-billing will occur if indicated.

STI has identified Mark Hyland as the project manager for this offering. Mark Hyland is the Clinical Director of STI. Mark has over twenty years of experience in the management of occupational health and safety programs. He has been with STI since 1994. He has overseen the growth of the clinics and the quality programing. Mark was the architect of the Department of Corrections and City of Phoenix Housing Departments injury prevention and onsite exercise programs.

* STI shall report any changes in key personnel in writing to the Contract Administrator within ten working days of change. Key personnel are defined as doctors, physician's assistance, nurse practitioners, care coordinators, and/or assigned account representatives to the City of Glendale.

SERVICE TECHNICAL SPECIFICATIONS AND REQUIREMENTS

STI understands that the City desires the successful bidder to:

1.1 STI will provide a sealed proposal to provide medical/occupational health services at the Glendale health Center. Through the agreement with Urgent Care extra, additional sites for occupational health care can also be utilized. Per the RFP section 2.7 this will improve access for employees lessening time of from work.

1.2 STI will coordinate with all other public safety agencies to coordinate and schedule needed medical services.

1.3 STI will provide occupational health injury and illnesses services to the City of Glendale at the Glendale Regionals Safety Center as well as through the additional Urgent Care Extra locations. The list of all locations is attached, there are three Urgent Care locations in the West Valley, Glendale area. All locations will efficiently provide first aid, initial visits for industrial injuries and follow-ups, and when necessary referrals to specialists.

1.4 &

1.5 STI and Urgent Care Extra will efficiently provide all required medical services at the Health Center that will include the provision of medical staffing; physicians, nurses, physician assistants, physical/occupational therapists and technicians that will provide DOT, AZ POST, drug and alcohol screening, hearing and vision testing, CDL, pre-employment physical exams

1.6
1.7 in accordance with OSHA Regulations, annual physical health, respiratory protection, and other medical evaluations for City employees and firefighters.

1.8
1.9 All Firefighters physicals will be done in compliance with NFPA guidelines. STI has great expertise in the areas of rehabilitation, health, functional movement screening and fitness. They will use their knowledge and experience to provide all needed interventions and education.
1.10 STI through their association with Urgent Care Extra is fully able to provide Urgent Care services at the Glendale clinic site as well as the additional locations. The association with the Urgent Care clinics can greatly reduce the costs associated with emergency room usage. Urgent Care Extra services are at an average of $100 per visit versus the $1000 a visit for Emergency Room services. Urgent Care Extra clinics are open 7 days a week for 14 hours per day.

1.11 STI will provide all fire fighter physicals in the efficient manner that allows minimal disruption to on-duty members. Fire fighter physicals will continue to be scheduled Tuesdays through Thursdays.
1.12 &
1.13 STI will provide evaluation and treatment of industrial injuries for all Glendale employees as well as fire agencies. They will treat patients and provide referrals when appropriate. STI will work closely with City of Glendale Human Resources & Risk management as they oversee the Industrial Injury Program.
1.14 STI & Urgent Care Extra are members of the BCBSAZ network. They agree to enter into and maintain an agreement with whomever the city of Glendale deems as their healthcare network provider.
1.15 STI will provide the staffing of two part-time doctors (one serving as director), one full-time physician's assistant, one full-time registered nurse, one full-time certified radiology technician, one medical assistant and patient care manager. STI will add additional staffing as workload dictates.
1.16 STI will maintain the hours as Monday-Friday from 7:30 am to 5:00 pm.
1.17 STI can accurately utilize all equipment provided and will utilize their contracted lab for analysis and x-ray sent to an outside radiologist.
1.18 STI can support the Glendale Health Center workload as well as provide for additional urgent care needs at the Urgent Care Extra Sites.

2.0 Scope of Services by Contractor
2.1 – 2.9

STI is able to provide medical services and exams for firefighter, police, police special units, non-sworn EMS personnel, retirees, new employee physicals and CDL/DOT exams in a timely and efficient manner. STI and Urgent Care

Extra will work in close relationship with the City and any other contractors to be sure all timelines and specifications of this contract are met.

Dr. Levitin, STI Medical Director, has over 30 years' experience in occupational health medicine. He is a certified occupational medicine physician, and a MRO. He can ensure that all Medical Exams, drug & alcohol screening, hearing conversation, DOT testing and post exposure prophylaxis meet all necessary standards.

STI has been providing occupational rehabilitation along with Functional Capacity Evaluation's since 1993. They have the capabilities to work with each agency to meet all job related requirements for functional and performance based testing.

Through the association with Urgent Care Extra, STI will be able to provide both urgent care walk in services and preventative services on-site and in multiple additional locations. STI will provide a 24 hour hotline for exposed city of Glendale personnel and well as act as the Infectious Control officer to manage current and future public safety entities.

STI will work closely with other City contractors including the HFFD personnel. STI recognizes the importance of these collaborations to the overall success of the Center and the members it will serve.

All staffing & scheduling requirements will be met as previously discussed.

2.10.1 – 2.10.1.8 Contractor Qualifications

STI, as well as Dr. Levitin and Ladin have more than 50 years' of combined experience in planning, implementing and managing employer-sponsored health & wellness clinics. These clinics have included local on-site clinics for clients with more than 2500+ lives.

STI & Dr. Levitin were both instrumental in the initial development of the Glendale Health Center. STI has continued its involvement in its management and providing of services. They have had experience with providing occupational health programs for police and fire sworn employees since the 1981. As mentioned previously in this proposal, STI is well familiar with the IAFF/IAFC Wellness Fitness Initiative and will use this document for establishing its guidelines and polices.

STI has long had relationships with government agencies. These associations have been both informal and through a competitive bidding process. Our long time relationship with the State of Arizona, City of Phoenix, Glendale and Tempe are some good examples. And, we have a long history of proudly serving valley fire departments and firefighters for over 30 years.

The group has an established working knowledge of all required DOT physical components and standards. In addition, STI and Dr. Levitin have extensive experience with OSHA regulations & the Industrial Commission of Arizona policies and procedures.

2.10.2 Other Requirements

STI & Urgent Care Extra will follow all additional requirements. A nurse will be assigned to triage all worker's compensation injuries. As well as ensuring that a MD or DO is involved in the 3rd occupational injury visit. The public safety physicals will be conducted as previously discussed. All required employee documentation will be provided by the end of each business day to Glendale Human Resources and Risk management.

STI has and will continue to provide care coordination services to the Centers clients and patients. An important duty in this role is to quickly and efficiently assist in getting specialist appointments within 24-48 hours. In fact, when STI's specialty referral network is utilized appointments can sometimes be scheduled on the same day. STI believes in the early, aggressive correct care model when managing industrial injuries. The evidence is clear this approach is effective at reducing injury costs and costs associated with lost time.

STI is in full agreement that a regular meeting is essential to the smooth running of the clinic operations.

2.11 Billing and Payments

STI & Urgent Care Extra will follow all billing requirements. They will provide all needed subcontractors, as well as disposable supplies. STI has been providing all accounting, managing of billing for services at the clinic to date and can efficiently continue. All services will billed at agree to prices.

2.12 Electronic Medical Records/Computer Systems

STI will provide all needed computers and establish a secure network connection. STI will ensure that the EMR will provide all needed reports, documents, and statistical information as required by the City of Glendale.

2.13 Facilities Use

STI will be responsible for any damage to the Health Center facilities and equipment damaged by STI employees, guests, or agents. STI will purchase any needed equipment not provided to ensure that all required components of care are completed. STI will work cooperatively with the

City of Glendale and Fire officials to provide access to the facility by authorized personnel.

STI will follow all required access and security components to the Glendale Health Center and agrees to be responsible to provide competent personnel to service tthis contract.

2.14 Facility Lease

STI will pay the monthly lease of $7500 per month.

6.0 Quality Program

To ensure quality STI has an established program that ensures that policies and procedures are followed and outcomes match expectations.

All personal are trained in the outlined policies and held accountable to their adherence. Medical Records are reviewed by the Medical Director for quality

outcomes. All documentation by a Physician Assistant is reviewed and co-signed by the overseeing physician.

Quality Management Process

A plan is established, documented, and implemented for an ongoing quality management program that, at a minimum, includes:

a. A method to identify, document, and evaluate incidents;
b. A method to collect data to evaluate services provided to patients;
c. A method to evaluate the data collected to identify a concern about the delivery of services related to patient care;
d. A method to make changes or take action as a result of the identification of a concern about the delivery of services related to patient care.

STI also provides for each contracted client a care coordinator that tracks and monitor all cases for quality. Cases in question get referred to our peer review service, medical director and clinical manager when care extends beyond what would normally be expected. The medical criteria triggering review usually depend upon the type of injury, diagnosis, occupational physical demands of the work and surgical status to name a few.

Health Center staff will be continuously evaluated to ensure the highest level of service and efficiency is being offered to its clients.

STI looks forward to answering any questions related to this proposal, their experience, or their management of the Glendale clinic.

STI Principal Contact:
Mark Hyland
Clinical Director
m.hyland@stirehab.com
(602) 349-2547

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

1	Provide the length of time your firm has been in business providing the same services as proposed.	STI has been in business as a local premier medical rehabilitation company since 1987. In 2009, we expanded our services to include management of occupational health and wellness services.
2	What are the primary services offered by your organization?	Physical, occupational, hand therapies, fitness, wellness, occupational rehab, occupational medicine.
3	How many existing on-site clinics do you currently operate? Describe how many days/weeks they have each been operational.	Two. The GRPSTC Occupational Health and Wellness Clinic. It has been operational since 2009, 5 days a week. And, STI has an onsite therapy clinic located onsite at the Phoenix Fire Dept. Health Center.
a	What is the average tenure of your on-site clinic clients?	Both clinics are ongoing for 3 plus years.
b	How many of these clinics service local (City, County, or State) governmental entities?	Two. As described in item #3.
c	How many of these clinics are located within the State of Arizona? Where?	One. The GRPSTC Occupational Health and Wellness Clinic.
4	Do you provide all services internally or are any services sub-contracted? If sub-contracted explain details.	internally. The only services that will be subcontracted will be for radiologist, lab, cardiologist, and orthopedic specialists.
5	Include your company's most recent Financial Report with your proposal.	see attached
6	Who is legally at risk for all liability issues?	STI
7	Provide details as well as outcome of all Malpractice claims/lawsuits against your company in the last 5 years.	No malpractice claims or lawsuits.
8	Describe the types of complaints your organization has received in the past five (5) years.	We rarely receive service related complaints. However, when we do it usually is a misunderstanding of some sort. A review is completed by management to see how we can learn and improve.
9	Describe any accreditations held that are specific to your programs.	The clinic will be licensed and accredited through the AZ Dept. of Health Services.
10	Provide three (3) current client references.	see attached proposal
11	Provide any other information that the Proposer believes would be helpful to the City in the evaluation of the Proposer's ability to provide the services in this RFP.	STI has formed a strategic alliance with Urgent Care Extra. This will allow us to extend the onsite services at the Glendale Clinic to include off site urgent care and occupational med services after hours services 7 days a week. This will improve access for members and reduce costs of delivering health care due to the reduction ofhigh cost ER usage.
B	**Staff Information**	

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

1	Do you currently have the appropriate staff to accommodate the Scope of Services? Please outline any deviations and/or recommendations from the Scope and explain how the staffing requirements will be met by implementation.	Yes. We have all staff required and will add a physical or occupational therapist.
2	Provide the name, office location and qualifications of the person who will be managing the billing.	GayLee Smith. She has been a dedicated and trusted employee of STI for 25 yrs. She currently offices at the Health Center and will continue if we are awarded the contract.
3	Describe your account management team. Who will be responsible for the account and who will be the day-to-day contact? Where will these personnel be located? Provide a brief description of their experience and years with your organization.	GayLee Smith. She has been a dedicated and trusted employee of STI for 25 yrs. She currently offices at the Health Center and will continue if we are awarded the contract. Mark Hyland will oversee the account and will office part-time at the Health Center.
4	Provide and describe in detail your firm's staffing model based on the information provided. Include descriptions of all staff to be assigned to the clinic, including what degree earned, years of experience, professional association memberships and areas of specialty.	The staffing model will be a medical model with the Medical Director taking the lead to manage and provide direction. This position will be supported by the team of professionals and para-professionals. The department will have corporate administrative support and day to day operations will be overseen by the Charge RN.
5	Provide a narrative description of the organization of the project team.	The Glendale clinic will be overseen by a Medical Director and supported by a corporate Administrator. The Medical Director will work with the medical professionals and paraprofessional to ensure all quality and guidelines are met. The Administrator will work to ensure all partnership agreements are upheld and all needed services are provided timely and efficiently. They will work to ensure that any & all issues are quickly resolved. The Charge Nurse will report to the Medical Director and will monitor the day to day operations for quality and efficiency. All members of the team will work together to ensure quality and strong customer service are maintained and delivered.
6	Provide an organizational chart, specific to the personnel assigned to accomplish the work described in your offer, that illustrates the lines of authority and designates the individual responsible and accountable for the completion of each component and deliverable of the RFP. Include resumes, certifications, and qualifications.	See attached organizational chart and resumes. All personnel will be licensed in their respective fields. All will maintain current licensure. The Medical Director is certified in Occupational & Environmental Medicine.
C	**Administrative**	

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

1	Describe in detail the steps and schedule/timeline needed to implement the City's clinic including key goals and objectives.	Needed Components to Begin Operations Our plan in implementation can be broken into system and personnel components.
3	Describe your process for scheduling and prioritizing appointments.	Scheduling will be set up so that there is open access for all employees to utilize the clinic on a walk in basis for urgent Care and Worker's Compensation needs. Adequate staffing will be provided so that on 8 Fire Fighter physicals can be scheduled each Tuesday-Thursday. Additional Staffing will be provided on those days to assist with any other physicals, walk-in, or follow-up appointments that need to occur. All staff will be trained in all areas, within their scope of practice, so that high quality and efficiency will be maintained.
5	Submit a sample of your monthly invoicing based on the program offered to the City.	see attached this section
D	**Reporting and Measurement Tools**	
1	Explain firm's reporting capabilities for utilization and types of visits. Attach sample standard reports.	Reports can be provided through the EMR that provide any sort of utilization that was completed. STI will utilize OHM the same EMR that is currently in place.
2	Describe your standard management reports. Please provide examples of reports that you would provide the City.	Sample reports can include aggregated data related to services provided. Examples # of visits, # of Immunizations, # of first aid, # of work comp, # of hrg tests, etc..
3	Describe your custom reporting capabilities. Please provide a recommendation and examples of reports that you would provide the City.	Specific reporting is available through the EMR that can provide aggregated data and even forecasting data as to who and when medical surveillance testing is required.
4	Are your standard management reports real time? If not, how often will reports be updated and how frequently are they made available?	yes, Weekly, monthly, or daily reports are available
5	Describe your on-line reporting capability.	OHM is a web-based system. Lab documents, x-ray reports can all be electronically sent into the system for efficiency and accuracy. There are also capabilities for table randomization for urine drug screening.
6	Describe the frequency and how employees of the clinic are evaluated for quality standards?	All Physician assistant documentation is reviewed an signed off by a supervising physician. All physical forms are reviewed by two persons prior to completion. Quality assurance measures also random review up to 20 charts per month for quality standards.
7	Describe what measures you use to review performance for Physicians, Nurses, Medical Assistants, and Clerical Staff.	Performance evaluations are completed annually for all staff.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

8	Describe employee satisfaction measurement process and provide sample reports.	Annual employee satisfaction surveys are conducted. STI also provides an open door policy and a no-blame culture to ensure ongoing process improvement
9	How would you propose measuring the outcomes and success of the overall program?	Outcomes and success can be measured by customer satisfaction as well as established quality measures. Additional success would be measured through a noted reduction in work comp costs, off-duty days, and an increase in first aid only care. Additional success can be measured by a reduction in overall health care dollars for the city of Glendale.
10	Please describe how you would measure the cost-effectiveness of the City's Clinic.	Cost-effectiveness can be measured by a reduction in worker's compensation costs, lost time/productivity, re-injury rates and healthcare utilization costs.
a	What level of cost-effectiveness for the Clinic are you willing to guarantee?	STI can guarantee a 1st year reduction of 10% worker's compensation costs, and up to 20% every year after.
11	Describe the billing practices you plan to implement.	Both invoice and direct billing will be implemented
12	What performance guarantees with fees at risk would you be willing to enter into (i.e. Implementation / Satisfaction)? Please provide how performance would be measured and the amount of fees you're willing to put at risk.	STI is prepared to reduce fees by 10% for any service provided that did not meet the quality measures and was substantiated.
E	**Clinical Services - Preventive Care**	
1	Please describe your philosophy for providing preventive care.	STI has been a long time component of health and wellness. They have provided wellness services through fitness programs and exercise since 1981. The company strongly emphasizes the need for preventative care for not only its customers but its employees, by providing education, flu shots, and in-house wellness opportunities.
2	Please describe your Clinic model. How does it differentiate from your competitors?	STI's model is based on open communication and strong customer satisfaction. They strive to anticipate the needs of the client and always exceed expectations. They are a small company and so there is not cumbersome bureaucracy to slow down the need for change if it is needed. The owners are personally invested into only quality patient outcomes but in the community itself.
3	What services do you believe would provide the greatest return on investment?	For the City of Glendale the greatest return on investment are any services that focus on wellness and prevention. Research has and continues to show that for every dollar spent in this area the return is up to $3.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

4	What is the average time your clinical providers (e.g., doctor, nurse practitioner) spend with a patient?	The average amount of time spent with a patient is 30-45 minutes for examinations, 10-15 minutes for follow-up care, up to one hour for annual physicals.
5	Describe your plan for continuity of services if a member of the medical team is not available on a given time or day.	There will be available back-up providers and staff as the clinic will have both full and part-time staff that can be called in as needed to cover for both sick and vacation time.
6	How do you propose that the City employee should pay for services (claims? copayment? free?).	City employees would only be required to pay the co-pay for urgent Care services if it is required by the City or the insurance company.
7	Do your physicians typically have hospital privileges? If so, where?	Hospital admitting privileges but they do not see patients in the hospital
8	How will you ensure that your staff is well-versed in the City's and other clinic users health plan design and network providers?	All protocols will be written and staff will be educated on those. The Care Coordinator will communicate with the staff and the city to ensure all protocols.
9	Provide a personnel roster for operation of the clinic that identifies the following for each position:	STI agrees to meet or exceed the staffing as outlined in the RFP 9.0 Exhibit B.
a	Title of position	see attached org chart
b	Qualifications of the position	see attached resume
c	Itemize the number of estimated hours for each position identified above as well as suggested work schedule.	STI agrees to meet or exceed the staffing as outlined in the RFP 9.0 Exhibit B.
10	Please indicate which of the following services you will provide and describe any limitations:	
a	Appointments Scheduling: Same Day	Yes if patient, injured worker or client is able
b	Annual Physical Exams	yes
c	CBD with Diff (Complete Blood Count)	yes
d	CMP (Comprehensive Metabolic)	yes
e	Coordinate/Bill Worker Compensation Claims	yes
f	DOT/CDL Physical Exams	yes
g	DOT/Non-DOT Drug and Alcohol Screens	yes
h	AZPOST Drug/Alcohol Screens	yes
if	EKG	yes
j	Employee Assistance Program referral	yes
k	Flu Shots	yes
l	Functional Movement Test (Fire/Police) Included in the Fire physicals	yes
m	Immunizations & Injections	yes

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

n	Initial Fracture Care	yes
o	IV Hydration	yes
p	Lab Draws/Testing (CLIA)	yes
q	Lift Test	yes
r	Occupational Therapy	yes
s	On-call Services for Post-Exposure Prophylaxis (PEP)	yes
t	Evaluation and treatment of first aide injury	yes
u	Evaluation and treatment of initial workers' comp injury	yes
v	Follow up treatment of workers' comp injury	yes
w	Pharmacy	yes
x	Physical Therapy	yes
y	PPD (TB Skin Test)	yes
z	Pre-employment Physicals	yes
aa	Prostate Exams	yes
bb	Auditory Function Tests	yes
cc	Vision Tests	yes
dd	Public Safety Physicals (Police & Fire)	yes
ee	Pulmonary Function Tests	yes
ff	Radiology (administer in-house, send out for reading)	yes
gg	Randomizing of Drug & Alcohol Screens	yes
hh	Routine Hearing Services (CDL Requirements)	yes
ii	Routine Vision Services (CDL Requirements)	yes
jj	Sick Visits	yes
kk	Spirometry (lung function) (Fire/Police)	yes
ll	Stress Tests	yes
mm	Surgical Procedures (Minor: Sutures, etc.)	yes
nn	Urinalysis (for CDL, Random, Etc.)	yes
oo	Walk-In Services: Non-worker's comp	yes
pp	Feel free to list additional services we have left out.	
11	If you have a Lab contract please provide the Lab testing capabilities. List associated pricing , by CPT code, in your Cost Proposal.	This service will be sub-contracted out. See pricing sheet.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

12	Please describe your quality assurance program or process.	Quality Management Process A plan is established, documented, and implemented for an ongoing quality management program that, at a minimum, includes: a. A method to identify, document, and evaluate incidents; b. A method to collect data to evaluate services provided to patients; c. A method to evaluate the data collected to identify a concern about the delivery of services related to patient care; d. A method to make changes or take action as a result of the identification of a concern about the delivery of services related to patient care. STI also provides for each contracted client a care coordinator that tracks and monitor all cases for quality. Cases in question get referred to our peer review service, medical director and clinical manager when care extends beyond what would normally be expected. The medical criteria triggering review usually depend upon the type of injury, diagnosis, occupational physical demands of the work and surgical status to name a few.
13	Would you be willing to offer a discount for annual public safety physicals to the Glendale Regional Public Safety Training Center partners? If so, please include the discounted price. (Partners: Avondale Fire, Peoria Fire, Surprise Fire, Glendale Fire/PD, MCCCD)	yes, 20%
F	**Clinical Services - Occupational Health**	
1	Please describe your philosophy for providing occupational health care.	STI & Urgent Care plus believe that Communication with HR and Risk Management is essential to the success of any work comp program.STI & Urgent Care will provide occupational health services based on the philosophy the a worker is like an athlete. The worker should be rehabilitated to their formal level of functioning. Light duty should be implemented and the worker monitored for improvements. All ICA guidelines are adhered to.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

2	Describe how your organization will handle referrals to specialists.	The case coordinator is responsible for maintaining communication with Risk Management, the treating physician, and the patient. All referrals will be discussed with Risk Management and made based on evidienced based criteria. Referrals to specialist will be managed within a 24-48 hr timeline and will be managed by our care coordinator through our network of the top providers in the area.
3	Please describe your occupational health service capabilities and the types of services which can be addressed on-site and off-site.	All occupational services including worker's compensation, medical surveillance, all physical types, and all wellness programming can be completed at the Glendale clinic. All worker's compensation services, DOT physicals, immunizations, and urgent care services can be provided through Urgent Care Extra.
4	Describe your experience in providing AZ POST Police Officer examinations.	Dr, Levitin has 30 years of Occupational Health service and experience with providing all medical Surveillance
5	Describe how your organization will integrate Worker's Compensation medical services through the clinic.	As they are OCC health and Urgent Care clinics they are well versed in the operations of Worker's compensation and it is already integrated.
G	**Clinical Services - Pharmacy**	
1	Confirm which designated member of your staff who has the ability to write prescriptions will be on-site at all times.	Either a physician or a physician assistant will always be present during open clinic hours. Urgent Care extra will be available every day from 7 am - 7 pm who can also prescribe medication.
2	What type of pharmacy services can you provide?	Through Urgent Care Extra full pharmacy services are available.
3	Please indicate, if any, what prescriptions will be dispensed on-site.	describing, dispensing, and administrating
H	**HIPAA Compliance and Confidentiality**	
1	Describe what practices your organization has in place to protect confidentiality of individual information when electronically transferring information pursuant to HITECH.	We are not familiar with HITECH but STI does and will abide by all rules of the Health Information Portability and Accountable Act (HIPPA).
2	Describe what steps your plan takes to ensure HIPAA compliance.	HIPPA training is required of all employees at initial orientation and annually.
3	What parties will have access to personal health information?	Only those who are providing direct service
4	Describe how confidentiality is assured and how it is communicated to the participants.	HIPPA training is required of all employees at initial orientation and annually.
5	Describe how you will secure patient charts.	In Locked file cabinets

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

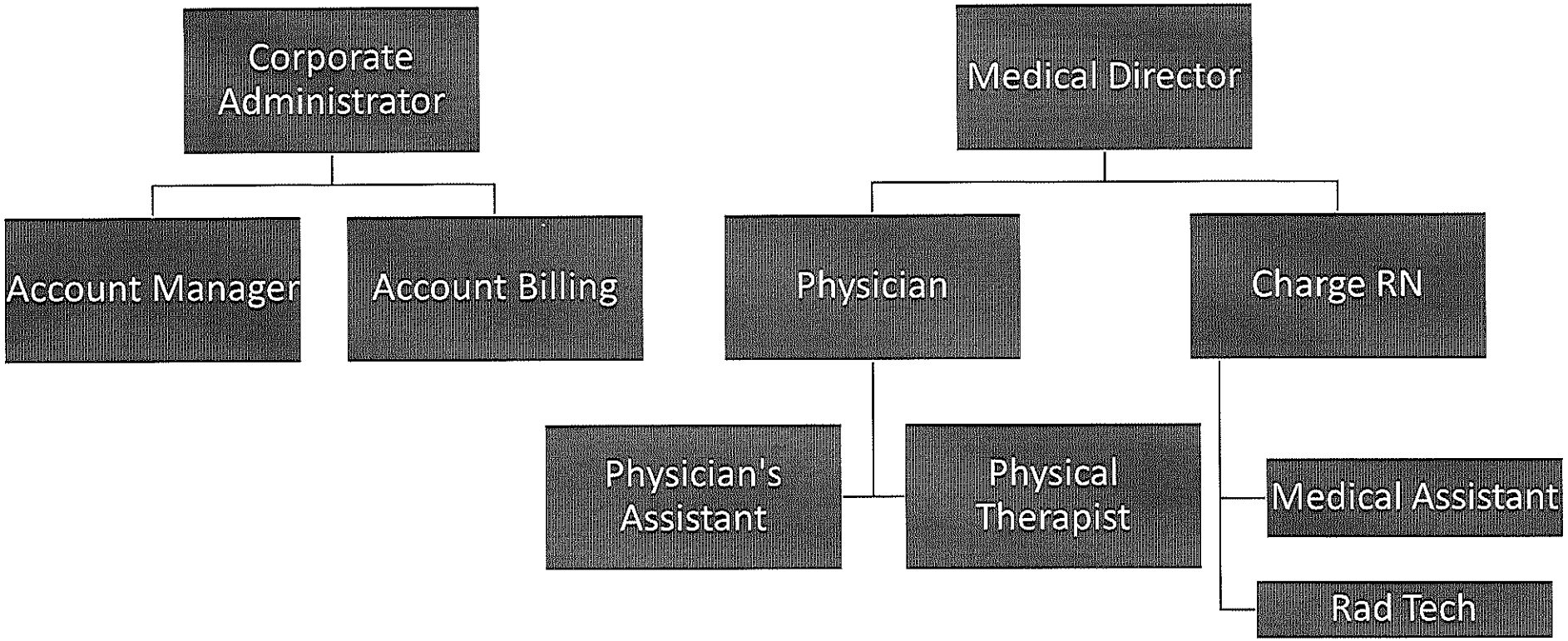
6	Describe how you will secure electronic records.	All EMR is password protected
7	Describe your policy relative to sharing, selling or otherwise utilizing member usage and other member data.	STI does not share or sell any member utilization
8	Indicate what electronic records will be retained by the City upon contract termination	Medical Record information would be maintained for 20 years unless requested by written request to be passed on to another entity
I	**Wellness**	
1	Describe qualifications, services or other information unique to your organization in the wellness and prevention area.	Dr. Levitin is Board Certified in Health Prevention. All licensed employees will maintain all needed requirements to practice within their scope per Arizona statutes
2	Provide an executive summary of the wellness services your firm provides. All pricing for these services (per member/per month, etc...) shall be included in your Cost Proposal.	Wellness opportunities include, nutrition education, fitness, immunizations, screenings, wellness promotion, and health fairs
3	Describe any biometric Health Risk Assessment tools your organization offers. Provide any associated costs in your Cost Proposal.	This would be subcontracted
4	What assistance in on-site education will you provide as a value-added component of this agreement?	Education can be provided in nutrition, physical fitness, stress management, areas of self-care; age specific exams- prostate screening , breast exams, the need for immunizations, preventing the flu..
5	Please describe your process for maintaining and improving employee wellness.	Ongoing education, health promotion activities, and biometric measurements
6	Describe the methods you use to identify and manage high risk members.	High risk members would be identified through HRA and claims mining
7	What would your participation and contribution be to an annual health fair?	We will happily participate and contribute.
8	Can you provide participation data for the purposes of incentive administration?	This would be subcontracted
9	How would you coordinate with mobile services such as mammograms and prostate screenings?	This would be subcontracted
10	What services/vendors can you integrate? (e.g., biometric screenings, case management, disability, disease management, EAP, eligibility, fitness programs, health plan/carriers, health risk assessment, behavioral health, health and wellness programs, maternity management, utilization management, workers' compensation).	This would be subcontracted
11	How do you propose to leverage or integrate with our existing Wellness Programs?	STI can integrate though educations and assistance with screenings

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

12	If possible, how frequently can you export participation files to vendor partners? Please indicate if this service is included in your standard pricing.	This would be subcontracted
13	Describe any coaching programs or initiatives that would be available to participants and your criteria for participation in these programs. Provide any associated costs in your Cost Proposal.	STI can provide coaching on physical fitness and nutrition
14	Will you assist in on-site education as requested?	Yes
J	**Infectious Disease Management**	
1	Do you currently have a 24 hour hotline that public safety personnel could utilize if they have experienced a significant exposure? If so, please provide information about the hotline.	Yes. The number and information will be established once the contract is awarded.
2	Do you currently have an Infectious Disease Officer on staff?	yes, Dr. Levitin will act as IDO
3	If you do not currently have an Infectious Disease Officer on staff, would you entertain the option of paying a firefighter or police officer to take on a full-time role and service any west valley agency that requests this service?	Yes
4	How would you charge for this service?	per incident of $50
K	**Equipment and Supplies**	
1	Describe your plan for monitoring inventory and restocking of supplies.	An inventory list of supplies will be maintained and new supplies ordered weekly
2	Describe your organization's process and procedures to collect, secure and dispose of bio-hazardous materials.	All Universal Precaution will be followed with adequate waste receptacles for bio-hazardous. There is established contracted vendor for biohazard waste company
L	**Marketing**	
1	How do you plan to maximize participation in the Clinic?	We intend to market a full line of occupational medicine, urgent care, rehabilitation services, wellness and fitness to all public safety entities in the west valley. Our intent is to grow this clinic and the services it can offer.
2	Describe your role and the role of the City in any Marketing Plan.	Marketing plans and ideas will require collaboration with the City. However, the responsibility of execution will be STI's.

Glendale Health Center
Organizational Chart



Health Center Billing
PO Box 43466
Phoenix, AZ 85080
623.772.7717
F) 623.772.7726

Invoice

Date	Invoice #
5/31/2014	103295

Bill To

ACME Fire District
Attn: Accounts Payable
12345 S Any Street
Township, AZ 85000

P.O. Number	Dates of Service
PO-20059-12014	5/1-31/2014

Date	Name	Description	Amount
5/25/2014	Doe, John	Fire Physical-Pre-Placement, Annual	000.00
		TB/PPD test	00.00
		Urine Drug Screen-up to 134 panel	00.00
5/25/2014	Smith, James	Fire Physical-Pre-Placement, Annual	000.00
		TB/PPD test	00.00
		Urine Drug Screen-up to 134 panel	00.00
5/25/2014	Jones, William	Fire Physical-Pre-Placement, Annual	000.00
		TB/PPD test	00.00
		Urine Drug Screen-up to 134 panel	00.00

Total $0000.00

REFERENCES

RESPONDENT SUBMITTING PROPOSAL: STI - Urgent Care Extra

1. COMPANY NAME: City of Phoenix
   ADDRESS: 135 N. 2nd Ave, Phoenix, AZ 85003
   CONTACT PERSON: Debbie Miller
   TELEPHONE: (602) 262-4665 E-MAIL ADDRESS: debbie.miller@phoenix.gov

2. COMPANY NAME: Rural Metro Corp / Southwest Ambulance
   ADDRESS: 708 W. Baseline Rd., Mesa, AZ
   CONTACT PERSON: Tuesday Kramer
   TELEPHONE: (602) 655-7399 E-MAIL ADDRESS: Tuesday.kramer@rmetro.com

3. COMPANY NAME: City of Glendale Fire
   ADDRESS: 5800 W. Glenn Dr., Ste 350, Glendale, AZ 85301
   CONTACT PERSON: Mark Burdick - Chief
   TELEPHONE: (623) 772-7191 E-MAIL ADDRESS: mburdick@glendalaz.com

4. COMPANY NAME: Arizona Spine Center
   ADDRESS: 333 W. Thomas Rd, Ste 202, Phoenix 85013
   CONTACT PERSON: Zoran Maric, M.D.
   TELEPHONE: (602) 274-0480 E-MAIL ADDRESS: zmaricl@cox.net

5. COMPANY NAME: City of Tempe
   ADDRESS: 20 E. 6th St., 2nd Floor, Tempe, AZ 85281
   CONTACT PERSON: Chris Hansen
   TELEPHONE: (480) 350-2904 E-MAIL ADDRESS: christopher_hansen@tempe.gov

6. COMPANY NAME: Salt River Pima Maricopa Indian Community
   ADDRESS: 10005 E. Osborn Rd., Scottsdale, AZ 85256
   CONTACT PERSON: David Bunce - Fire Chief
   TELEPHONE: (480) 850-8239 EMAIL ADDRESS: david.bunce@srpmic.gov

YORK

April 16, 2013

To Whom It May Concern,

I have worked with STI for approximately 17 years. During this time period they have provided services to multiple clients. I have found their therapy services and customer service to be top notch. Their staff is highly trained and very committed to excellent outcomes as quickly as possible. Injured workers are treated with respect and dignity while following the physician's treatment plan. Their utilization review services are also very valuable in driving the right outcomes.

I appreciate their commitment to patient care and optimal outcomes for all involved parties. I plan to continue working with STI for many years to come and do not hesitate to recommend them.

Sincerely,

Deborah S. Baker
Sr. Vice President
West Region

York Risk Services
5353 N. 16th Street, Suite 250
Phoenix, AZ 85016

480.606.5580 **office**
800.890.7418 **toll free**
614.717.6109 **fax**
602.743.5728 **cell**

www.yorkrsg.com

City of Phoenix
PERSONNEL DEPARTMENT

Monday, March 26, 2012

To whom it may concern,

Please allow this letter to serve as a professional recommendation for STI Physical Therapy and Rehabilitation. The City of Phoenix has worked with STI since 2010 when they, and their STICare network, were awarded our occupational physical therapy services contract. I have been very pleased with the service STI has provided our injured employees. The injured workers get treated quickly and are provided a high level of service from STI's dedicated care coordinators, through their clinical group.

In addition, we have seen greater in-network access with their wide area network coverage and alliance with Preferred Therapy Providers. Their care coordinators work diligently and professionally to steer injured workers to network clinics. Because of this, we have realized cost savings in our first year of the contract.

STI offers other services that we find useful and valuable as well. These include their ability to create wellness and injury prevention strategies and programs for our various departments. Their knowledge and expertise as it pertains to the full work injury management continuum from injury to return to work is much appreciated.

Please feel free to contact me should you have any further questions.

Sincerely,

Dave Booth

Dave Booth
Safety Supervisor
City of Phoenix Human Resources Department
(602) 262-4665
(602) 534-3978 fax

GLENDALE

Elaine Scruggs
Mayor

Ed Beasley
City Manager

MARK BURDICK
FIRE CHIEF

March 29, 2012

To Whom It May Concern:

It is my pleasure to write this letter as a professional recommendation for Strength Training, Inc. (STI) Physical Therapy and Rehabilitation. In 2009, The Glendale Fire Department started a partnership with STI with the inception of the Glendale Health Center. I have been very pleased with the service STI has provided our injured firefighters. The firefighters get treated quickly and are provided a high level of service from STI's dedicated care coordinators, through their clinical group. In addition, the STI Trainers provide exceptional service, during the functional movement screening portion of the annual firefighter physicals, to not only our firefighters but to the other fire agencies that utilize our Health Center. Prior to 2009, Glendale Firefighters have had a long-standing relationship with the STI Physical Therapists and Training Staff as they have provided top level care for their rehabilitative needs.

In addition, we have seen greater in-network access with their wide area network coverage and alliance with Preferred Therapy Providers. Their care coordinators work diligently and professionally to steer injured firefighters to network clinics. Because of this, we have realized cost savings since our first year of the contract.

STI offers other services that we find useful and valuable as well. This includes their ability to create wellness and injury prevention strategies and programs. Their knowledge and expertise as it pertains to the full work injury management continuum from injury to return to work is much appreciated.

Please feel free to contact me at 623-930-4401 or at mburdick@glendaleaz.com if you have any questions.

Sincerely,

Mark Burdick

City of Glendale Fire Department
5800 West Glenn Drive, Suite 350 - Glendale, Arizona 85301
Office 623-930-4400 - Fax 623-847-5313
"Fast, Caring, Innovative and Professional"

Rural/Metro Corporation

Thursday, March 22, 2012

To whom it may concern,

Please allow this letter to serve as a professional and personal recommendation for STi. I have worked with STi for a number of years and sent countless injured employees to their therapists to resolve on the job injuries because I consistently see positive results in a timely manner. I have also received positive feedback from the injured employees about the type of treatment, caring and quick response they received from STi. What I believe is an even more important testament of my belief in STi is that after my own shoulder surgery I completed my own rehab with STi. I have also had my daughter treat at STi for her own sports related injuries. I continue to use STi for physical therapy services and I look forward to a long partnership in the future.

Ken Davis
Director of Risk & Claims Management
Rural/Metro Corporation
9221 E. Via de Ventura
Scottsdale, AZ 85258

TEMPE
All-America City
2003

City of Tempe
P. O. Box 5002
20 E. Sixth Street
Tempe, AZ 85280
480-350-8998
480-858-2171-fax
www.tempe.gov

Tempe

FINANCIAL SERVICES DEPARTMENT
Risk Management Division

April 9, 2012

To Whom It May Concern:

I have been doing business with Strength Training Institute for approximately 15 years and they have always been responsive, professional and flexible in providing services I have requested. Whether I have handled industrial injury cases internally, with an insurance carrier, or with a third party adjuster, STI has been willing to collaborate with all parties involved in providing the best possible services to our injured employees, with a goal of the best possible outcome for all.

In addition to providing physical therapy and rehabilitation services, STI does a fantastic job with their outreach education programs relative to wellness and back injury prevention. They have been well received by our work groups and the information and resources they have provided have been invaluable. We will continue doing business with STI and look forward to any new products or services they have to offer in the future.

Regards,

Laura Guerrero

Laura Guerrero
Risk Manager
City of Tempe
laura_guerrero@tempe.gov

ROBERT L. LEVITIN, MD

Phone: (602) 277-9041
robertlevitin@gmail.com

1151 E. Ocotillo Rd.
Phoenix, AZ 85014

EDUCATION

MD	Ohio State University, College of Medicine Columbus, OH	June 1966
BA	Ohio State University, College of Arts and Sciences Columbus, OH	June 1962
DG	Amundson High School Chicago, IL	January 1958

POST-DOCTORAL TRAINING

Residency *(Community Health),* Ohio State University — October 1970– July 1972
College of Medicine, Department of Preventive Medicine
Columbus, OH

Residency *(Pediatrics),* Columbus Children's Hospital — July 1970– September 1970

Internship *(Rotating),* Mount Carmel Medical Center — July 1966 – July 1967
Columbus, OH

MEDICAL LICENSURE

State of California, October 1991
#Co43007

State of Arizona, August 11, 1978
#100732

State of Ohio, June 15, 1966
#29254

State of New Mexico, October 7, 2004
#MD2004-0522

SPECIALTY BOARD CERTIFICATION

American Board of Preventive Medicine in Occupational Health – 1976

ACADEMIC APPOINTMENTS

Associate, Family and Community Medicine Department — 1980 – 1991
University of Arizona, College of Medicine

Clinical Instructor, Department of Preventive Medicine — 1973 - 1978
The Ohio State University; College of Medicine

AFFILIATED INSTITUTIONS

Arizona Medical Association — 1979 – 1991
Member, Occupational Health Committee

Tucson Medical Center — 1978 – 1991
Consulting Scientific Staff

St. Mary's Hospital — 1978 – 1991
Associate Staff
Tucson, AZ

St. Joseph's Hospital — 1978 – 1991
Associate Staff
Tucson, AZ

Alcoholism Council of Southern Arizona — 1980 – 1982
Vice President – Board of Directors

Columbus Area Council on Alcoholism — 1977 - 1978
President
Columbus, OH

PROFESSIONAL ASSOCIATIONS AND SOCIETIES

American Medical Association

Arizona Medical Association

American College of Occupational and Environmental Medicine
- **Speaker**, ACOEM House of Delegates — 1998 – 1999

- **Speaker-Elect**, ACOEM House of Delegates 1997 – 1998
- **Recorder**, ACOEM House of Delegates 1996 – 1997
- **General Conference Chair,** American Occupational Health Conference April 1995
- **Delegate,** ACOEM House of Delegates 1988 – 1997
- **Fellow** 1978

Western Occupational and Environmental Association

- **General Conference Chair,** Western Occupational Health Conference April 2001
- **Chairman of the Board** 1993 – 1994
- **President** 1992 - 1993
- **President-Elect** 1991 - 1992
- **1st Vice President** 1990 - 1991
- **Treasurer** 1989 - 1990
- **Board Member** 1986 - 1989

PROFESSIONAL EXPERIENCE

Medical Director – STI Physical Therapy March 2014

Occupational Health Physician June 2010 – December 2013
Scottsdale Healthcare, Scottsdale, AZ
Occupational Health Department

Medical Director December 2004 – June 2010
Scottsdale Healthcare, Scottsdale, AZ
Occupational Health Department

Medical Consultant February 2007 – December 2010
MATRIX Absence Management, Phoenix, AZ

Consultant in Occupational Medicine November 1997 – December 2004

- *The Boeing Company*, Mesa, AZ
- *HIH Insurance Company*, Phoenix, AZ
- *Pinnacle West Corporation*, Phoenix, AZ
- *CorVel Corporation*, Phoenix, AZ
- *CompPartners*, Irvine, CA
- *Scottsdale Healthcare*, Occupational Health, Scottsdale, AZ

Western Region Medical Director April 1996 – November 1997
Concentra Medical Centers, Phoenix, AZ

Medical Director May 1994 – April 1996
Great States Insurance Company, Phoenix, AZ

Occupational Medicine Department Chair November 1991 – May 1994
CIGNA Healthcare of Arizona, Phoenix, AZ

Medical Director,
Mesa Lutheran Hospital, Mesa, AZ
Occupational Medicine Department
January 1991 – November 1991

Medical Director
Occupational Health Center, Tucson, AZ
December 1980 – December 1990

Occupational Medicine Department Chair
Thomas Davis Medical Center, Tucson, AZ
August 1978 – December 1980

Medical Director
Battelle Memorial Institute, Columbus, OH
October 1973 – August 1978

Staff Physician
John W. Wilce Health Center
The Ohio State University, Columbus, OH
August 1972 – October 1973

MILITARY SERVICE

Captain – Medical Corps, United States Air Force
Albrook AFB, Canal Zone
July 1967 – July 1970

ADDITIONAL PROFESSIONAL TRAINING

Medical Review Officer Certification Council
- Medical Review Officer Certification
- Certificate# 11-09196

University of California, Irvine, University Extension
October 1994 – July 1995
- FHP Medical Management Certificate Program

FORMAL TEACHING OF PEERS

Presenter, "*24 Hour Managed Care*"
American Occupational Health Conference
April 1995

LANGUAGES

English: Native Language

Spanish: Fluent in Oral and Written Communicatio

COMPUTER SKILLS

OHM Proficient

James L. Maher

President and Founder of Strength Training Inc.

Education

- Bachelor of Arts Health and Physical Education
- Extended Studies in Nutrition, Kinesiology and Fire Science

Foundational Years

- Phoenix native, family arrived in Arizona in 1928
- Interest in strength training began very early progressing with extensive study in the areas of health and fitness
- By junior high began developing what would soon evolve into his training philosophy
- Freshman year in high school began training both Glendale High School football players and track team members
- Age 15, won first National Olympic Lifting Championship. This would be the first of three teenage national championship wins culminating in four national records.
- Age 19, member of the Junior World Olympic Lifting Team
- Age 24 and 25, second place finishes in Men's National Power Lifting; Business obligations shortened competitive lifting career

Professional Accomplishments

- 1979 began professional training career at Jon Cole Systems (JCS), an athletic training center in Scottsdale, AZ, working with the Greenbay Packers, Arizona State football team and Phoenix Suns while developing and running the Strength Rehabilitation Area for JCS.
- 1980-1985 Glendale Firefighter
- January 1981, opened the first Strength Training facility
- 1981 began training police and firefighters for the National World Police and Fire Olympics. Over the next five years had numerous world and national championships in track and power lifting.
- 1981 -1991 Trained world class and Olympic athletes in track and field, football and basketball.
- 1982-1987 Strength Consultant for Glendale Community College. Glendale went from a nine year losing streak to four National Championship games and two Regional Championships
- 1983-1991 Strength Consultant for the Phoenix Suns
- 1984-1989 Strength Consultant for Grand Canyon University basketball team, during this time period Grand Canyon had four Final Four appearances
- 1985-1986 developed Anterior Cruciate Ligament and Posterior Crusciate Ligament, *Closed Kinetic Chain Rehabilitation Protocol*, for medical review.
- 1985 officially began development of the Phoenix Fire Department "medical/health/fitness program." Each firefighter goes through different facets of this program during the duration of employment. This program was the number one program in the nation beginning in its second year.

- In the mid-1990's as business continued to grow and expand the day-to-day duties urged a closeout to professional athletic training and to his therapeutic work around 2001
- 2009 assisted in development and operation of Glendale Health Center providing annual physicals and work injury management for fire, police and City of Glendale

Affiliations

- Governors Council of Health and Physical Fitness
- National Strength Coaches Association
- Served as Phoenix Fire Dept Liason for the medical/health/fitness program for fire departments around the country
- 1983-1992 Deputy Boxing Commissioner of AZ
- Served as liason for Arizona high schools, colleges and universities strength training and medical advice and information
- Served as advisor to the Minnesota Vikings
- Served as advisor for Phoenix Police Department in development of their medical health and fitness program
- Served as advisor to DEA, DPS, Highway Patrol, Local FBI, Rural/Metro, Tempe, Mesa, Glendale, Peoria an Phoenix fire departments

Speaking Engagements

- Arizona Worker's Compensation Claims Examiners
- State Fund Board of Directors
- Arizona State Coaches Association
- Phoenix Fire Department National Seminar for Medical/Health/Fitness
- Arizona Trial Attorney's Association
- Rehabilitation Insurances Nurses Group
- Wellness and Injury Prevention Presentations
    - City of Phoenix Departments- Housing, Streets and Waterworks
    - City of Surprise
    - Daisy Mountain Fire
    - City of Tempe
    - City of Mesa

In addition to the daily responsibilities of marketing and administrating this organization, Jim has been and continues to be an innovative leader in the field of strength training, functional rehabilitation and wellness and prevention.

Mark D. Hyland, OTR/L, CHT
Diplomate American Board of Disability Analysts

Education
- University of Alberta, Bachelor of Science in Rehabilitation Medicine: Occupational Therapy emphasis graduated 1989.
- University of Saskatchewan, Bachelor of Science in Psychology: Graduated 1986.
- Trained in the McKenzie Method of Mechanical Spinal Evaluation
- Certified functional capacity evaluator
- Hand Therapy Certification Committee: Certified Hand Therapist, 1996.
- University of Florida: Certified Med-x lumbar and cervical operator, 1992.
- University of Florida: Certified in spinal musculoskeletal evaluation and rehabilitation, 1992.

Work Experience
- *Director of Clinical Operations*, STI Physical Therapy and Rehabilitation, Inc.1994- present. Responsibilities: Work/Industrial Programs and Hand Therapy, outpatient orthopedics, sports physical therapy, adult rehabilitation, work hardening/conditioning, hand and U/E rehab, functional capacity evaluations, ergonomic job analysis and consultation, interdisciplinary team management, clinical operations, staffing and employee development, physician relations, provider network management, finances, contracting, credentialing and marketing.
- *Utilization and Peer Reviewer Consultant,* Medrisk, May 2009 – current.
- *Utilization and Peer Reviewer Consultant,* Preferred Therapy Providers, April 2011 - current
- *Injury and Disability Management Consulting,* 1993 to Present, ergonomics, job analysis/descriptions, prework screens, functional capacity evaluations, ADA and OSHA compliance, early return to work programs, transitional/modified/light work duty programs, wellness, prevention programs, case management/review
- *Medical-legal and forensic rehabilitation consulting.* Areas of expertise include standards of care for occupational and hand therapy, residual functional capacity and work tolerances following injury, impairment and disability. Experienced as both plaintiff and defense expert 1998 - present.
- *Director,* Arizona Spine Rehabilitation Center, 1991-1994. Responsibilities: Patient care, clinical program development, functional/work capacity evaluation, daily operations, staffing, employee development and productivity, physician relations, business development and marketing.
- *Staff Occupational Therapist,* Therapy Rehabilitation Services, March 1991 to August 1991: outpatient orthopedics, neurological inpatient rehab.

Certifications/Affiliations
- Certified Hand Therapist (CHT)
- ASTYM certified provider
- Diplomate American Board of Disability Analysts (ABDA)
- Progressive Goal Attainment Program (PGAP) provider
- Workwell Work Systems, Certified FCE Evaluator
- American Society of Hand Therapists (ASHT)
- American Occupational Therapy Association (AOTA)
- Charter member Praxis Partners
- International Association of Rehabilitation Professionals (IARPS)
- Licensed by Arizona Board of Occupational Therapy Examiners (#0461)
- National Federation of Independent Business (NFIB), Safety Committee
- City of Phoenix Fire Department
- Arizona Worker's Compensation Claims Association (AWCCA)
- Arizona Self Insured Association (ASIA)
- Arizona Work Disability and Prevention Association charter member (AWDPA)
- CPR Certified

Speaking Engagements/Lecturers/Presentations

- Arizona Trial Lawyers Association 1995
- Rehabilitation Insurance Nurses Group (R.I.N.G) 1996
- Arizona Association of Industry 1997
- American Society of Safety Engineers 1998
- Arizona Worker's Compensation Claims Association 1999
- National Association of Rehabilitation Professional (NARPPS) 1999
- Association of Legal Administrators (ALA) 2000
- Arizona Trial Lawyers Association (2001)
- Arizona Institute of Minimally Invasive Surgery (2001)
- Arizona Worker's Compensation Claims Association (AWCCA) April 03
- Texas Back Institute Annual Educational Conference, February 2004 – *The OT in Work Rehab*
- Scottsdale Healthcare Annual Occupational Health Conference October 2005 – *The Aging Worker – A Risk All Employers Should Not Ignore*
- Workers' Compensation in Arizona, PESI Seminar October 2005 – *When to Consider an FCE*
- Arizona Worker's Compensation Claims Association Feb 2008 – *Rehabilitation Outcomes and Evidenced Based Practice*

Publications

- Phoenix Fire Department, *The Job of Firefighting – An Analysis, Oct. 1995 (unpublished)*
- Arizona Claims Examiner, *When Should You Consider an FCE?*, Sept. 1999.
- Rehab Management, *Patient Compliance in Low Back Pain*, May/June 2000.
- OT Week, *Gaining a Foothold in Industry: Injury Prevention*, Vol. 13, March 1999.
- Rehab Management, *Industrial Expansion: The Story Behind Onsite Industrial Rehab Services*, August/Septemeber 2001.
- Arizona Claims Examiner, *Mercedes or Ford? The Choices We Make in the Managed Care Environment.* April/May 2002.
- PT Products Magazine, featured in cover article Nov. 2005

Awards and Achievements

- May 2002: AOTA Distinguished Service Award.
- July 1999 – June 2002: AOTA Work and Industrial Programs Standing Committee Member.

KEVIN SCOTT LADIN, M.D.
1331 N 7th St., Suite 360
Phoenix, AZ 85006
Telephone: (602) 246-9002

PERSONAL DATA:

Date of Birth: May 9, 1960
Place of Birth: North Miami Beach, Florida
Citizenship: U.S.A.

CURRENT POSITION:

Medical Director
Center for Physical Medicine & Rehabilitation, P.C.
Phoenix, Arizona

EDUCATION:

Post Graduate: Resident in Rehabilitation Medicine
Cornell University Cooperating Hospitals Program
July 1989- June 1992

Resident in Internal Medicine
Albert Einstein Medical Center
York and Tabor Roads
Philadelphia, PA 19141
June 1988-June 1989

M.D.: *Medical College of Pennsylvania*
3300 Henry Avenue
Philadelphia, PA 19129
June 1988

B.S.: *Pennsylvania State University*
University Park, PA 16802
Major: Science, with Honors
May 1984

CERTIFICATION:

Board Certified, American Board of Physical Medicine and Rehabilitation
Board Certified, American Board of Physical Medicine and Rehabilitation, Subspecialty Pain Medicine

CLINICAL ROTATIONS:

Albert Einstein Medical Center
York and Tabor Roads
Philadelphia, PA 19141
Responsibilities: inpatient, ambulatory and critical care medicine; night coverage; extensive ancillary services

New York Hospital – Cornell Medical Center
525 East 68th Street

New York, New York 10021
Responsibilities: inpatient and ambulatory Physical Medicine and Rehabilitation; hospital consultation; pediatric rehabilitation; electrodiagnosis; cardiac rehabilitation; prosthetic and orthotic clinics; resident teaching; night coverage; frequent didactic presentations

Memorial Sloan-Kettering Cancer Center
1275 York Avenue
New York, New York 10021
Responsibilities: ambulatory Physical Medicine and Rehabilitation; pediatric cancer rehabilitation; hospital consultation; lymphedema management program; chronic pain management; frequent didactic presentations

St. Barnabas Hospital
4422 Third Avenue
Bronx, New York 10021
Responsibilities: inpatient and ambulatory Physical Medicine and Rehabilitation; hospital consultations; electrodiagnosis

Lenox Hill Hospital
100 East 77th Street
New York, New York 10021
Responsibilities: Extensive electrodiagnostic studies

PROFESSIONAL MEMBERSHIPS:

American Board of Physical Medicine and Rehabilitation – Diplomate
National Board of Medical Examiners – Diplomate
Fellow, American Academy of Physical Medicine and Rehabilitation
Active Member, American Medical Association
Active Member, Maricopa County Medical Society
Fellow, Physiatric Association of Spine, Sports and Occupational Rehabilitation

RESEARCH AND OCCUPATIONAL BACKGROUND:

September 2013: The Examiner "OPIOIDS: THE GOOD THE BAD & THE EVIL"

September 2003: The Examiner "Pain Management in Workers' Compensation"

September 2001: The Examiner "Challenges in Worker's Compensation: A Physician's Perspective"

Summer 1999: The Medical Reviewer "Fibromyalgia: Controversies in Diagnosis and Treatment"

September 1998: The Examiner "Distinction Between Impairment and Disability in Workers Compensation"

COURSES:

Lower Limb and Spinal Orthotics
New York University Post – Graduate Medical School

Electrodiagnosis
New York Medical College

Conservative Management of Low Back Pain
The New York Back Society

HONORS AND RECOGNITION:

2010	Phoenix Magazine "Top Docs"
2009	Phoenix Magazine "Top Docs"
2005	Phoenix Magazine "Top Docs"
1984:	Named "University Scholar" – Pennsylvania State University
1982 - 1984:	Special Mention, Honors Biology Research – Pennsylvania State University "The mechanism of gynandromorph transmission in Bracon hebetor" Alpha Epsilon Delta Honor Society Dean's List

PRESENTATIONS: (most recent)

September'12	International Association of Rehabilitation Professionals "Fibromyalgia Syndrome: Current Concepts"
Aug'09-11	*The University of Arizona College of Medicine-Phoenix in partnership with Arizona State University* "Pain: Measurement and Management" PGY III Lecture Series
June'11	Geico "Pain: Measurement and Management"
September'10	Travelers/St. Paul "Pain: Measurement and Management"
May'10	Travelers/St. Paul "Pharmacological Management of Chronic Pain"
September'09	Western Occupational Health Conference "Power Orthopedics: The Spine"
May'09	State of Arizona Department of Energy and Military Affairs Joint Programs "The Independent Medical Evaluation"
March '09	ADOA Risk Management "The Independent Medical Evaluation"
Feb '09	Travelers/St. Paul "The PM&R/Pain Physician & Pharmacist"
Oct '08	Asia Fall Seminar "The PM&R/Pain Physician & Pharmacist"
May '07	Corvel Corporation "Panel Discussion Case Study"

TEACHING APPOINTMENTS

The University of Arizona, College of Medicine-Phoenix - Clinical Assistant Professor of Neurology
Midwestern University - Adjunct Assistant Professor - Division of Clinical Education

PROFESSIONAL EXPERIENCE:

State Bar of Arizona
Arbitrator Panelist
Phoenix, Arizona
2006

Panel Consulting Physician,
Department of Economic Security, State of Arizona
Phoenix, Arizona
1992 – Present

Associate, Center for Spine Care
Phoenix, Arizona
March 1993 – July 1994

Associate Medical Director
Central Arizona Rehabilitation Hospital
Chandler, Arizona
July 1992 – March 1993

House Physician
Gracie Square Hospital
New York, New York
1990 – 1992

House Physician
Parkway Hospital
Queens, New York
1989 – 1991

Emergency Room Physician
Albert Einstein Medical Center
Philadelphia, PA
1988 – 1989

LICENSURE:

Arizona	#20895	Pennsylvania	#MD-046881-L
New York	#179157	Federal DEA	#FL3326976

Certified in Advanced Cardiac Life Support/Basic Life Support

REFERENCES: Available upon request

sti
A Division of Strength Training Inc.

A Letter From the President

On behalf of Strength Training, Inc (STI) we would like to thank you for the opportunity to present this proposal to provide medical occupational health Services Glendale Health Center. We are pleased that our proposal not only meets the minimum requirements you have set but far exceeds them.

We believe that our true success is not demonstrated through the business of health care but rather in our philosophy of service. Our core values are rooted in providing patients with absolute honesty, integrity, care, kindness, respect, and willingness to help in all capacities of their care.

Through our collaborative partnership and alliance with Urgent Care Extra, we are confident that we meet and exceed the standards and requirements outlined in the request for proposal through not only our aligned business processes but our compatible core philosophies which is based on four words - *In Service of Others.* By way of this alliance, STI-Urgent Care Extra is able to offer the Glendale employees and others with convenient onsite occupational health services and off site urgent care, medical and physical therapy locations convenient to where they may live and work throughout the area.

STI has a long history of providing health, medical and rehabilitative care to the people of Arizona. We started over 30 years ago with the City of Phoenix Fire Department helping them establish one of the country's best and most respected industrial medical programs. Since we have expanded our work to include many other valley fire departments and large employers like the City of Phoenix, State of Arizona and Rural Metro Corporation to name a few. I am confident no one can offer the combined level of experience our group does with public safety officials.

We were involved in the early stages and planning of the Glendale Health Center in 2008-2009. And, we have been proudly leading and managing the Center since. My hope and belief is that we will continue in this role – *In Service of Others.*

In closing we want to express our thanks, appreciation, and gratitude for your time and consideration of our efforts in the development and presentation of this proposal.

Respectfully,

James L. Maher
President
Strength Training, Inc.

GLENDALE	SOLICITATION NUMBER: RFP 14-07 MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER	CITY OF GLENDALE Materials Management 5850 West Glendale Avenue, Suite 317 Glendale, Arizona 85301

5.0 OFFER SHEET

5.1 OFFER Offeror certifies that they have read, understand, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror also certifies that the prices offered were independently developed without consultation with any of the other Offerors or potential Offerors.

Authorized Signature	Strength Training Inc DBA STI Therapy Division Company's Legal Name
James Maher Printed Name	17233 N Holmes Blvd Suite 1650 Address
President Title	Phoenix, AZ 85053-2030 City, State & Zip Code
602-547-1836 Telephone Number	602-547-2806 FAX Number
j.maher@stirehab.com Authorized Signature Email Address	5/19/14 Date

For questions regarding this offer: (If different from above)

Mark Hyland	602-547-1836	602-547-0508
Contact Name	**Phone Number**	**Fax Number**

m.hyland@stirehab.com
Email Address

FEDERAL TAXPAYER ID NUMBER: 860574338

Arizona Sales Tax No. N/A Tax Rate _____

Offeror certifies it is a: Proprietorship ____ Partnership ____ Corporation X

Minority or woman owned business: Yes ____ No X

GLENDALE	SOLICITATION NUMBER: RFP 14-07 MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER	CITY OF GLENDALE Materials Management 5850 West Glendale Avenue, Suite 317 Glendale, Arizona 85301

6.1 PRICE SHEET

6.2 SERVICE FEE

ITEM	DESCRIPTION OF SERVICE	COST
1	Appointments Scheduling: Same Day	No Charge
2	Annual Physical Exams	See Attached
3	CBD with Diff (Complete Blood Count)	$ 14.00
4	CMP (Comprehensive Metabolic)	$ 10.00
5	Coordinate/Bill Worker Compensation Claims	No Charge
6	DOT/CDL Physical Exams	$ 45.00
7	DOT/Non-DOT Drug and Alcohol Screens	$ 35.00
8	AZPOST Drug/Alcohol Screens	$ 35.00
9	EKG	$ 50.00
10	Employee Assistance Program referral	No Charge
11	Flu Shots	$ 25.00
12	Functional Movement Test (Fire/Police) Included in the Fire physicals	$ 100.00
13	Immunizations & Injections	See Attached
14	Initial Fracture Care	20% off ICA fee
15	IV Hydration	20% off ICA fee
16	Lab Draws/Testing (CLIA)	$ 15.00
17	Lift Test	$ 70.00
18	Occupational Therapy	20% off ICA fee
19	On-call Services for Post-Exposure Prophylaxis (PEP)	$ 50.00 per Call
20	Evaluation and treatment of first aide injury	$ 25.00
21	Evaluation and treatment of initial workers' comp injury	20% off ICA fee
22	Follow up treatment of workers' comp injury	20% off ICA fee
23	Pharmacy	N/A
24	Physical Therapy	20% off ICA fee
25	PPD (TB Skin Test)	$ 15.00

Company Name STI

GLENDALE	SOLICITATION NUMBER: RFP 14-07 MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER	CITY OF GLENDALE Materials Management 5850 West Glendale Avenue, Suite 317 Glendale, Arizona 85301

ITEM	DESCRIPTION OF SERVICE	COST
26	Pre-employment Physicals	See Attached
27	Prostate Exams	$ 50.00
28	Auditory Function Tests	$ 25.00
29	Vision Tests	$ 10.00
30	Public Safety Physicals (Police & Fire)	See Attached
31	Pulmonary Function Tests	$ 55.00
32	Radiology (administer in-house, send out for reading)	20% off ICA fee
33	Randomizing of Drug & Alcohol Screens	$ 50.00
34	Routine Hearing Services (CDL Requirements)	$ 20.00
35	Routine Vision Services (CDL Requirements)	$ 15.00
36	Sick Visits	Copay/Coins
37	Spirometry (lung function) (Fire/Police)	$ 55.00
38	Stress Tests	$ 150.00
39	Surgical Procedures (Minor: Sutures, etc.)	20% off ICA fee
40	Urinalysis (for CDL, Random, Etc.)	$ 10.00
41	Walk-In Services: Non-worker's comp	Copay/Coins
42	Feel free to list additional services we have left out.	See Proposal
43	If you have a Lab contract please provide the Lab testing capabilities. List associated pricing , by CPT code, in your Cost Proposal.	Contracted out @ negotiated
44	Please describe your quality assurance program or process.	See Proposal
45	Would you be willing to offer a discount for annual public safety physicals to the Glendale Regional Public Safety Training Center partners? If so, please include the discounted price. (Partners: Avondale Fire, Peoria Fire, Surprise Fire, Glendale Fire/PD, MCCCD)	20% $ 575.00

6.3 DISCOUNT/PAYMENT TERMS: The City standard is 2% 20 days

Comply: YES [X] NO [ ]
If your answer is NO, please state terms offered: _____

6.4 TAX AMOUNT Do not include any use tax or federal tax in your proposal. The City is exempt from the payment of federal excise tax and will add use tax as applicable.

Company Name STI

RFP 14-07 Price Sheet Addendum

Physicals	
Fire Fighter	$575
Police-AZ Post baseline	$360
Police-AZ Post annual	$280
Police-EOD (new & exisiting)	$430
Police-Reserve	$400
Police-Existing SWAT	$270
Police-New SWAT	$430
EMS-NonSworn	$350
No Show Physical	$80
Immunizations	
Hep A	$54.00
Hep B	$51.00
MMR	$55.00
TdaP	$40.00
Varicella	$70.00
Td	$25.00
Hearing Conservation with audiogram	$28.00
Review of Respiratory Questionnaire	$10.00

	SOLICITATION ADDENDUM	CITY OF GLENDALE Materials Management 5850 W. Glendale Avenue Suite 317 Glendale, AZ 85301 Phone: (623) 930-2866
GLENDALE	Solicitation Number: RFP 14-07 Addendum #1 Page 1 of 1 **REVISED: Solicitation Due Date: May 21, 2014** 2:00 P.M. (Local Time)	

MEDICAL OCCUPATIONAL HEALTH SERVICES
AT GLENDALE HEALTH CENTER

The solicitation due date has been revised from May 8, 2014 to **May 21, 2014, 2:00 p.m.**, local time.

The balance of the specifications and instructions remain the same. The Offeror must acknowledge receipt and acceptance of this addendum by returning the entire addendum with the proposal submittal.

Name of Company: STI

Address: 17233 N. Holmes Blvd., Ste 1650, Phoenix, AZ

Authorized Signature: [signature]

Print Name and Title: Clinical Director

&

Response to Request for Proposal to provide:

City of Glendale
Materials Management
5850 West Glendale Ave., suite 317
Glendale, Arizona 85301

MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER
SOLICITATION NUMBER: RFP 14-07

May 20, 2014

Jim Maher
STI Rehab

Dr. Kevin Ladin
Urgent Care Extra

Dr. Robert Levitin
Medical Director

City of Glendale Wellness Clinic
Executive Summary

STI Physical Therapy & Rehabilitation appreciates the opportunity to provide this Proposal for Medical/Occupational Health Services at the Glendale Health Center, which operates out of the Glendale Regional Public Safety Training Center. STI has more than 50 combined years of established trust in meeting the workforce health needs of major corporations and government agencies. Strength Training is highly qualified and well positioned to provide the services requested. STI has associated with Urgent Care Extra for this proposal to expand the offering to include their locations as additional healthcare service sites. This response contains customized recommendations and suggestions specific to your business needs and requested services.

Strength Training & Urgent Care Extra are proven experts in proactive injury/illness prevention initiatives and cost-effective programs.

> The **Mission** is to serve the community with high quality cost-effective occupational health, urgent care, and rehab services to enhance employee health and reduce your financial exposure to work-related injury claims.
>
> The **Vision** is to effectively and efficiently meet health care needs provided by compassionate and quality driven experts
>
> The **Culture** creates an environment that exemplifies commitment to the best quality patient outcomes.

This proposal identifies a customized solution for the City of Glendale Health Clinic to provide evaluations and services that improve the health of your employees and protect your communities.

STI's top priority is to provide the highest quality product offering based on service and quality performance. STI's representatives are available to meet with you to review our proposal, answer questions, and to discuss how the services described can be implemented in an efficient and cost-effective manner.

Vendor Response:

OVERVIEW

STI and their associated partner Urgent Care Extra can provide personalized occupational health care services at the Glendale Health Center and throughout their combined network of 51 clinic locations (Attachment A provides all clinic locations). The Associated Group delivers primary and rehabilitative care, including diagnosis, treatment, and management of work-related illnesses. They are experts in proactive injury/illness prevention initiatives and cost-effective programs. The Associated Group is able to also provide a full complement of non-injury, employment-related health services, including physical examinations, pre-employment physical exams, substance abuse testing, job-specific return-to-work evaluations, employee wellness, functional capacity evaluations, injury specific rehabilitation programs, and other related services.

The associated group is able to also provide Urgent Care Services in fourteen valley locations, including three in the city of Glendale. They are experienced in all areas related to OSHA regulations, NFPA Standards, DOT physicals and POST guidelines. The affiliation with Urgent Care Extra enhances employees, family members and associated member agencies with easy and convenient access to urgent care and occupational health services. This affiliation extends the reach of the Health Center and will assist the City to minimize lost time and productivity from work duties.

As an experienced provider of employee health services, we are able to offer a full array of treatment options and solutions that enhance the health of your employees as well as ensure their recovery. We offer the ability to provide statistical information that identifies trends and potential predictions of employee health issues. We ensure that through our system efficiencies, we are focusing on reducing your healthcare costs while providing the best treatment with the best outcomes.

STI is the incumbent and has been responsible for the management of the Health Center since its inception in 2009. STI offers an innovative solution to resolve the issues of inadequate health care coverage in the area of employee health and urgent care services for the Glendale employees and families. STI offers the experience of over 40 years of providing Occupational Health services with the association of extensive coverage and knowledge of providing Urgent Care services. This affiliation offers to transform your services into a more efficient management and utilization of your health care dollar.

STI rehab was established in 1987 and currently provides rehab and preventative health services to the City of Phoenix (awarded by competitive bid), State of Arizona, Rural Metro Corporation, City of Tempe, City of Glendale Fire Department, multiple school systems throughout the valley and thousands of injured workers.

STI employs 100 people statewide in 10 clinic locations. And, offers an extended network of 150 plus physical therapy and rehabilitation clinics throughout the state. STI has been the leader in medical rehabilitation, fitness, wellness and health services for firefighters and first responder personnel 1981. Our excellent reputation with valley fire and police departments is longstanding. We often are approached by outside agencies and providers requesting information and education. The fact is, there is no local provider who can match the level of experience and knowledge that the STI group has with public safety personnel. This familiarity with fire and police personnel cannot and should not be understated since the Glendale Health Center primarily serves this population.

Though occupational and urgent care medicine are newer service lines for STI we are no less capable. Under our leadership, management and partnership with Glendale Fire, the City and Scottsdale Healthcare the Health Center has grown to be a successful venture. If awarded this contract we expect to continue our work and expand the reach of the Health Center even further.

Urgent Care Extra was established in 2003 and currently provides urgent care, including occupational injury care and examinations, in 41 locations in multiple states. It employs 200 throughout the valley with three Glendale locations.

The Affiliated Group is led by the following individuals who will assume key roles in the servicing of this contract (CV's Attached):

STI Rehab's President and Owner is **Jim Maher**. Jim is a former Glendale fire fighter who opened the first STI clinic in 1981. Jim has over 30 years in working with injury prevention, rehab and wellness programs. He is an Arizona native and is well respected within the Arizona work comp community. Jim was instrumental in the opening of the City of Phoenix Fire Health Center. More recently Jim was instrumental in the start-up, implementation and management of the Glendale Health Center and has maintained his involvement.

STI's Occupational Health Medical Director is **Robert Levitin, MD**. He is Board Certified in Occupational Health with a long history of providing medical surveillance physicals, injury care, and preventative medicine for area employers.

STI Rehab's **Mark D. Hyland, OTR/L, CHT** has been the Clinical Director since 1994. Mark is a licensed occupational therapist, certified hand therapist and Diplomate of

the American Board of Disability Analysts. Mark has lead the clinics growth in quality and expertise while serving as a consultant for multiple companies in the area of injury prevention and education, utilization and quality occupational rehabilitation services. In 1994/95 he designed the firefighter specific functional evaluation used to this day to help determine work fit status of injured firefighters.

Kevin Ladin, MD is board certified in physical medicine and rehabilitation and pain management. He has been a long time and well-respected physician in the local workers compensation community. Dr. Ladin is the Medical Director for occupational health and medicine service for Urgent Care Extra. Adding the specialty of physical medicine and rehabilitation enhances the services already being provided at the Health Center and makes them quite unique.

STI will administer all testing according to NFPA 1582, OSHA and P.O.S.T. standards. We have written protocols for each OSHA standard including the testing (surveillance examinations, pulmonary function, audiometric and laboratory). We will follow the testing requirements set forth by the city. We also ensure that all personnel have the appropriate certifications to perform all testing, including audio, pulmonary function and stress testing.

In addition, STI personnel are well familiar with the *Fire Service Joint Labor Management Wellness/Fitness Initiative*. They will use the Initiative as a guide to providing and implementing the health and wellness services of the Center.

AMINISTRATION OF CONTRACT

STI will ensure that comprehensive occupational health, wellness and urgent care services will continue to be made available at the Glendale Health clinic and the Urgent Care Extra sites.

We agree to all Contract Goals as dictated by the Request for Proposal #RFP 14-07, including but not limited to Insurance requirements, Billing notices, Safety standards, Surety Bond, facility licensing and accreditation, etc..

If awarded the contract, STI intends to meet with designated City of Glendale representatives to review the testing protocols and examination components. STI will enter the components into our database whereas all protocols will be available to STI providers. Included in the protocol development are service costs, communication of results, and billing information. Completed ICA form 102 will be submitted to the Risk Management Department immediately following treatment.

Just as has been occurring currently, STI will provide detailed invoices for non-injury care. Injury care is billed according to the ICA fee schedule and a 20% discount is taken at time of payment. All billing is generated on a daily basis. In the event that a billing issue should arise, the issue will be addressed immediately and re-billing will occur if indicated.

STI has identified Mark Hyland as the project manager for this offering. Mark Hyland is the Clinical Director of STI. Mark has over twenty years of experience in the management of occupational health and safety programs. He has been with STI since 1994. He has overseen the growth of the clinics and the quality programing. Mark was the architect of the Department of Corrections and City of Phoenix Housing Departments injury prevention and onsite exercise programs.

* STI shall report any changes in key personnel in writing to the Contract Administrator within ten working days of change. Key personnel are defined as doctors, physician's assistance, nurse practitioners, care coordinators, and/or assigned account representatives to the City of Glendale.

SERVICE TECHNICAL SPECIFICATIONS AND REQUIREMENTS

STI understands that the City desires the successful bidder to:

1.1 STI will provide a sealed proposal to provide medical/occupational health services at the Glendale health Center. Through the agreement with Urgent Care extra, additional sites for occupational health care can also be utilized. Per the RFP section 2.7 this will improve access for employees lessening time of from work.

1.2 STI will coordinate with all other public safety agencies to coordinate and schedule needed medical services.

1.3 STI will provide occupational health injury and illnesses services to the City of Glendale at the Glendale Regionals Safety Center as well as through the additional Urgent Care Extra locations. The list of all locations is attached, there are three Urgent Care locations in the West Valley, Glendale area. All locations will efficiently provide first aid, initial visits for industrial injuries and follow-ups, and when necessary referrals to specialists.

1.4 &

1.5 STI and Urgent Care Extra will efficiently provide all required medical services at the Health Center that will include the provision of medical staffing; physicians, nurses, physician assistants, physical/occupational therapists and technicians that will provide DOT, AZ POST, drug and alcohol screening, hearing and vision testing, CDL, pre-employment physical exams

1.6
1.7 in accordance with OSHA Regulations, annual physical health, respiratory protection, and other medical evaluations for City employees and firefighters.

1.8
1.9 All Firefighters physicals will be done in compliance with NFPA guidelines. STI has great expertise in the areas of rehabilitation, health, functional movement screening and fitness. They will use their knowledge and experience to provide all needed interventions and education.
1.10 STI through their association with Urgent Care Extra is fully able to provide Urgent Care services at the Glendale clinic site as well as the additional locations. The association with the Urgent Care clinics can greatly reduce the costs associated with emergency room usage. Urgent Care Extra services are at an average of $100 per visit versus the $1000 a visit for Emergency Room services. Urgent Care Extra clinics are open 7 days a week for 14 hours per day.

1.11 STI will provide all fire fighter physicals in the efficient manner that allows minimal disruption to on-duty members. Fire fighter physicals will continue to be scheduled Tuesdays through Thursdays.
1.12 &
1.13 STI will provide evaluation and treatment of industrial injuries for all Glendale employees as well as fire agencies. They will treat patients and provide referrals when appropriate. STI will work closely with City of Glendale Human Resources & Risk management as they oversee the Industrial Injury Program.
1.14 STI & Urgent Care Extra are members of the BCBSAZ network. They agree to enter into and maintain an agreement with whomever the city of Glendale deems as their healthcare network provider.
1.15 STI will provide the staffing of two part-time doctors (one serving as director), one full-time physician's assistant, one full-time registered nurse, one full-time certified radiology technician, one medical assistant and patient care manager. STI will add additional staffing as workload dictates.
1.16 STI will maintain the hours as Monday-Friday from 7:30 am to 5:00 pm.
1.17 STI can accurately utilize all equipment provided and will utilize their contracted lab for analysis and x-ray sent to an outside radiologist.
1.18 STI can support the Glendale Health Center workload as well as provide for additional urgent care needs at the Urgent Care Extra Sites.

2.0 Scope of Services by Contractor
2.1 – 2.9

STI is able to provide medical services and exams for firefighter, police, police special units, non-sworn EMS personnel, retirees, new employee physicals and CDL/DOT exams in a timely and efficient manner. STI and Urgent Care

Extra will work in close relationship with the City and any other contractors to be sure all timelines and specifications of this contract are met.

Dr. Levitin, STI Medical Director, has over 30 years' experience in occupational health medicine. He is a certified occupational medicine physician, and a MRO. He can ensure that all Medical Exams, drug & alcohol screening, hearing conversation, DOT testing and post exposure prophylaxis meet all necessary standards.

STI has been providing occupational rehabilitation along with Functional Capacity Evaluation's since 1993. They have the capabilities to work with each agency to meet all job related requirements for functional and performance based testing.

Through the association with Urgent Care Extra, STI will be able to provide both urgent care walk in services and preventative services on-site and in multiple additional locations. STI will provide a 24 hour hotline for exposed city of Glendale personnel and well as act as the Infectious Control officer to manage current and future public safety entities.

STI will work closely with other City contractors including the HFFD personnel. STI recognizes the importance of these collaborations to the overall success of the Center and the members it will serve.

All staffing & scheduling requirements will be met as previously discussed.

2.10.1 – 2.10.1.8 Contractor Qualifications

STI, as well as Dr. Levitin and Ladin have more than 50 years' of combined experience in planning, implementing and managing employer-sponsored health & wellness clinics. These clinics have included local on-site clinics for clients with more than 2500+ lives.

STI & Dr. Levitin were both instrumental in the initial development of the Glendale Health Center. STI has continued its involvement in its management and providing of services. They have had experience with providing occupational health programs for police and fire sworn employees since the 1981. As mentioned previously in this proposal, STI is well familiar with the IAFF/IAFC Wellness Fitness Initiative and will use this document for establishing its guidelines and polices.

STI has long had relationships with government agencies. These associations have been both informal and through a competitive bidding process. Our long time relationship with the State of Arizona, City of Phoenix, Glendale and Tempe are some good examples. And, we have a long history of proudly serving valley fire departments and firefighters for over 30 years.

The group has an established working knowledge of all required DOT physical components and standards. In addition, STI and Dr. Levitin have extensive experience with OSHA regulations & the Industrial Commission of Arizona policies and procedures.

2.10.2 Other Requirements

STI & Urgent Care Extra will follow all additional requirements. A nurse will be assigned to triage all worker's compensation injuries. As well as ensuring that a MD or DO is involved in the 3rd occupational injury visit. The public safety physicals will be conducted as previously discussed. All required employee documentation will be provided by the end of each business day to Glendale Human Resources and Risk management.

STI has and will continue to provide care coordination services to the Centers clients and patients. An important duty in this role is to quickly and efficiently assist in getting specialist appointments within 24-48 hours. In fact, when STI's specialty referral network is utilized appointments can sometimes be scheduled on the same day. STI believes in the early, aggressive correct care model when managing industrial injuries. The evidence is clear this approach is effective at reducing injury costs and costs associated with lost time.

STI is in full agreement that a regular meeting is essential to the smooth running of the clinic operations.

2.11 Billing and Payments

STI & Urgent Care Extra will follow all billing requirements. They will provide all needed subcontractors, as well as disposable supplies. STI has been providing all accounting, managing of billing for services at the clinic to date and can efficiently continue. All services will billed at agree to prices.

2.12 Electronic Medical Records/Computer Systems

STI will provide all needed computers and establish a secure network connection. STI will ensure that the EMR will provide all needed reports, documents, and statistical information as required by the City of Glendale.

2.13 Facilities Use

STI will be responsible for any damage to the Health Center facilities and equipment damaged by STI employees, guests, or agents. STI will purchase any needed equipment not provided to ensure that all required components of care are completed. STI will work cooperatively with the

City of Glendale and Fire officials to provide access to the facility by authorized personnel.

STI will follow all required access and security components to the Glendale Health Center and agrees to be responsible to provide competent personnel to service tthis contract.

2.14 Facility Lease

STI will pay the monthly lease of $7500 per month.

6.0 Quality Program

To ensure quality STI has an established program that ensures that policies and procedures are followed and outcomes match expectations.

All personal are trained in the outlined policies and held accountable to their adherence. Medical Records are reviewed by the Medical Director for quality

outcomes. All documentation by a Physician Assistant is reviewed and co-signed by the overseeing physician.

Quality Management Process

A plan is established, documented, and implemented for an ongoing quality management program that, at a minimum, includes:

a. A method to identify, document, and evaluate incidents;
b. A method to collect data to evaluate services provided to patients;
c. A method to evaluate the data collected to identify a concern about the delivery of services related to patient care;
d. A method to make changes or take action as a result of the identification of a concern about the delivery of services related to patient care.

STI also provides for each contracted client a care coordinator that tracks and monitor all cases for quality. Cases in question get referred to our peer review service, medical director and clinical manager when care extends beyond what would normally be expected. The medical criteria triggering review usually depend upon the type of injury, diagnosis, occupational physical demands of the work and surgical status to name a few.

Health Center staff will be continuously evaluated to ensure the highest level of service and efficiency is being offered to its clients.

STI looks forward to answering any questions related to this proposal, their experience, or their management of the Glendale clinic.

STI Principal Contact:
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Clinical Director
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(602) 349-2547

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

A		
1	Provide the length of time your firm has been in business providing the same services as proposed.	STI has been in business as a local premier medical rehabilitation company since 1987. In 2009, we expanded our services to include management of occupational health and wellness services.
2	What are the primary services offered by your organization?	Physical, occupational, hand therapies, fitness, wellness, occupational rehab, occupational medicine.
3	How many existing on-site clinics do you currently operate? Describe how many days/weeks they have each been operational.	Two. The GRPSTC Occupational Health and Wellness Clinic. It has been operational since 2009, 5 days a week. And, STI has an onsite therapy clinic located onsite at the Phoenix Fire Dept. Health Center.
a	What is the average tenure of your on-site clinic clients?	Both clinics are ongoing for 3 plus years.
b	How many of these clinics service local (City, County, or State) governmental entities?	Two. As described in item #3.
c	How many of these clinics are located within the State of Arizona? Where?	One. The GRPSTC Occupational Health and Wellness Clinic.
4	Do you provide all services internally or are any services sub-contracted? If sub-contracted explain details.	internally. The only services that will be subcontracted will be for radiologist, lab, cardiologist, and orthopedic specialists.
5	Include your company's most recent Financial Report with your proposal.	see attached
6	Who is legally at risk for all liability issues?	STI
7	Provide details as well as outcome of all Malpractice claims/lawsuits against your company in the last 5 years.	No malpractice claims or lawsuits.
8	Describe the types of complaints your organization has received in the past five (5) years.	We rarely receive service related complaints. However, when we do it usually is a misunderstanding of some sort. A review is completed by management to see how we can learn and improve.
9	Describe any accreditations held that are specific to your programs.	The clinic will be licensed and accredited through the AZ Dept. of Health Services.
10	Provide three (3) current client references.	see attached proposal
11	Provide any other information that the Proposer believes would be helpful to the City in the evaluation of the Proposer's ability to provide the services in this RFP.	STI has formed a strategic alliance with Urgent Care Extra. This will allow us to extend the onsite services at the Glendale Clinic to include off site urgent care and occupational med services after hours services 7 days a week. This will improve access for members and reduce costs of delivering health care due to the reduction ofhigh cost ER usage.
B	**Staff Information**	

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

1	Do you currently have the appropriate staff to accommodate the Scope of Services? Please outline any deviations and/or recommendations from the Scope and explain how the staffing requirements will be met by implementation.	Yes. We have all staff required and will add a physical or occupational therapist.
2	Provide the name, office location and qualifications of the person who will be managing the billing.	GayLee Smith. She has been a dedicated and trusted employee of STI for 25 yrs. She currently offices at the Health Center and will continue if we are awarded the contract.
3	Describe your account management team. Who will be responsible for the account and who will be the day-to-day contact? Where will these personnel be located? Provide a brief description of their experience and years with your organization.	GayLee Smith. She has been a dedicated and trusted employee of STI for 25 yrs. She currently offices at the Health Center and will continue if we are awarded the contract. Mark Hyland will oversee the account and will office part-time at the Health Center.
4	Provide and describe in detail your firm's staffing model based on the information provided. Include descriptions of all staff to be assigned to the clinic, including what degree earned, years of experience, professional association memberships and areas of specialty.	The staffing model will be a medical model with the Medical Director taking the lead to manage and provide direction. This position will be supported by the team of professionals and para-professionals. The department will have corporate administrative support and day to day operations will be overseen by the Charge RN.
5	Provide a narrative description of the organization of the project team.	The Glendale clinic will be overseen by a Medical Director and supported by a corporate Administrator. The Medical Director will work with the medical professionals and paraprofessional to ensure all quality and guidelines are met. The Administrator will work to ensure all partnership agreements are upheld and all needed services are provided timely and efficiently. They will work to ensure that any & all issues are quickly resolved. The Charge Nurse will report to the Medical Director and will monitor the day to day operations for quality and efficiency. All members of the team will work together to ensure quality and strong customer service are maintained and delivered.
6	Provide an organizational chart, specific to the personnel assigned to accomplish the work described in your offer, that illustrates the lines of authority and designates the individual responsible and accountable for the completion of each component and deliverable of the RFP. Include resumes, certifications, and qualifications.	See attached organizational chart and resumes. All personnel will be licensed in their respective fields. All will maintain current licensure. The Medical Director is certified in Occupational & Environmental Medicine.
C	**Administrative**	

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

1	Describe in detail the steps and schedule/timeline needed to implement the City's clinic including key goals and objectives.	Needed Components to begin Operations Our plan in implementation can be broken into system and personnel components.
3	Describe your process for scheduling and prioritizing appointments.	Scheduling will be set up so that there is open access for all employees to utilize the clinic on a walk in basis for urgent Care and Worker's Compensation needs. Adequate staffing will be provided so that on 8 Fire Fighter physicals can be scheduled each Tuesday-Thursday. Additional Staffing will be provided on those days to assist with any other physicals, walk-in, or follow-up appointments that need to occur. All staff will be trained in all areas, within their scope of practice, so that high quality and efficiency will be maintained.
5	Submit a sample of your monthly invoicing based on the program offered to the City.	see attached this section
D	**Reporting and Measurement Tools**	
1	Explain firm's reporting capabilities for utilization and types of visits. Attach sample standard reports.	Reports can be provided through the EMR that provide any sort of utilization that was completed. STI will utilize OHM the same EMR that is currently in place.
2	Describe your standard management reports. Please provide examples of reports that you would provide the City.	Sample reports can include aggregated data related to services provided. Examples # of visits, # of Immunizations, # of first aid, # of work comp, # of hrg tests, etc..
3	Describe your custom reporting capabilities. Please provide a recommendation and examples of reports that you would provide the City.	Specific reporting is available through the EMR that can provide aggregated data and even forecasting data as to who and when medical surveillance testing is required.
4	Are your standard management reports real time? If not, how often will reports be updated and how frequently are they made available?	yes, Weekly, monthly, or daily reports are available
5	Describe your on-line reporting capability.	OHM is a web-based system. Lab documents, x-ray reports can all be electronically sent into the system for efficiency and accuracy. There are also capabilities for table randomization for urine drug screening.
6	Describe the frequency and how employees of the clinic are evaluated for quality standards?	All Physician assistant documentation is reviewed an signed off by a supervising physician. All physical forms are reviewed by two persons prior to completion. Quality assurance measures also random review up to 20 charts per month for quality standards.
7	Describe what measures you use to review performance for Physicians, Nurses, Medical Assistants, and Clerical Staff.	Performance evaluations are completed annually for all staff.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

8	Describe employee satisfaction measurement process and provide sample reports.	Annual employee satisfaction surveys are conducted. STI also provides an open door policy and a no-blame culture to ensure ongoing process improvement
9	How would you propose measuring the outcomes and success of the overall program?	Outcomes and success can be measured by customer satisfaction as well as established quality measures. Additional success would be measured through a noted reduction in work comp costs, off-duty days, and an increase in first aid only care. Additional success can be measured by a reduction in overall health care dollars for the city of Glendale.
10	Please describe how you would measure the cost-effectiveness of the City's Clinic.	Cost-effectiveness can be measured by a reduction in worker's compensation costs, lost time/productivity, re-injury rates and healthcare utilization costs.
a	What level of cost-effectiveness for the Clinic are you willing to guarantee?	STI can guarantee a 1st year reduction of 10% worker's compensation costs, and up to 20% every year after.
11	Describe the billing practices you plan to implement.	Both invoice and direct billing will be implemented
12	What performance guarantees with fees at risk would you be willing to enter into (i.e. Implementation / Satisfaction)? Please provide how performance would be measured and the amount of fees you're willing to put at risk.	STI is prepared to reduce fees by 10% for any service provided that did not meet the quality measures and was substantiated.
E	**Clinical Services - Preventive Care**	
1	Please describe your philosophy for providing preventive care.	STI has been a long time component of health and wellness. They have provided wellness services through fitness programs and exercise since 1981. The company strongly emphasizes the need for preventative care for not only its customers but its employees, by providing education, flu shots, and in-house wellness opportunities.
2	Please describe your Clinic model. How does it differentiate from your competitors?	STI's model is based on open communication and strong customer satisfaction. They strive to anticipate the needs of the client and always exceed expectations. They are a small company and so there is not cumbersome bureaucracy to slow down the need for change if it is needed. The owners are personally invested into only quality patient outcomes but in the community itself.
3	What services do you believe would provide the greatest return on investment?	For the City of Glendale the greatest return on investment are any services that focus on wellness and prevention. Research has and continues to show that for every dollar spent in this area the return is up to $3.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

4	What is the average time your clinical providers (e.g., doctor, nurse practitioner) spend with a patient?	The average amount of time spent with a patient is 30-45 minutes for examinations, 10-15 minutes for follow-up care, up to one hour for annual physicals.
5	Describe your plan for continuity of services if a member of the medical team is not available on a given time or day.	There will be available back-up providers and staff as the clinic will have both full and part-time staff that can be called in as needed to cover for both sick and vacation time.
6	How do you propose that the City employee should pay for services (claims? copayment? free?).	City employees would only be required to pay the co-pay for urgent Care services if it is required by the City or the insurance company.
7	Do your physicians typically have hospital privileges? If so, where?	Hospital admitting privileges but they do not see patients in the hospital
8	How will you ensure that your staff is well-versed in the City's and other clinic users health plan design and network providers?	All protocols will be written and staff will be educated on those. The Care Coordinator will communicate with the staff and the city to ensure all protocols.
9	Provide a personnel roster for operation of the clinic that identifies the following for each position:	STI agrees to meet or exceed the staffing as outlined in the RFP 9.0 Exhibit B.
a	Title of position	see attached org chart
b	Qualifications of the position	see attached resume
c	Itemize the number of estimated hours for each position identified above as well as suggested work schedule.	STI agrees to meet or exceed the staffing as outlined in the RFP 9.0 Exhibit B.
10	Please indicate which of the following services you will provide and describe any limitations:	
a	Appointments Scheduling: Same Day	Yes if patient, injured worker or client is able
b	Annual Physical Exams	yes
c	CBD with Diff (Complete Blood Count)	yes
d	CMP (Comprehensive Metabolic)	yes
e	Coordinate/Bill Worker Compensation Claims	yes
f	DOT/CDL Physical Exams	yes
g	DOT/Non-DOT Drug and Alcohol Screens	yes
h	AZPOST Drug/Alcohol Screens	yes
if	EKG	yes
j	Employee Assistance Program referral	yes
k	Flu Shots	yes
l	Functional Movement Test (Fire/Police) Included in the Fire physicals	yes
m	Immunizations & Injections	yes

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

n	Initial Fracture Care	yes
o	IV Hydration	yes
p	Lab Draws/Testing (CLIA)	yes
q	Lift Test	yes
r	Occupational Therapy	yes
s	On-call Services for Post-Exposure Prophylaxis (PEP)	yes
t	Evaluation and treatment of first aide injury	yes
u	Evaluation and treatment of initial workers' comp injury	yes
v	Follow up treatment of workers' comp injury	yes
w	Pharmacy	yes
x	Physical Therapy	yes
y	PPD (TB Skin Test)	yes
z	Pre-employment Physicals	yes
aa	Prostate Exams	yes
bb	Auditory Function Tests	yes
cc	Vision Tests	yes
dd	Public Safety Physicals (Police & Fire)	yes
ee	Pulmonary Function Tests	yes
ff	Radiology (administer in-house, send out for reading)	yes
gg	Randomizing of Drug & Alcohol Screens	yes
hh	Routine Hearing Services (CDL Requirements)	yes
ii	Routine Vision Services (CDL Requirements)	yes
jj	Sick Visits	yes
kk	Spirometry (lung function) (Fire/Police)	yes
ll	Stress Tests	yes
mm	Surgical Procedures (Minor: Sutures, etc.)	yes
nn	Urinalysis (for CDL, Random, Etc.)	yes
oo	Walk-In Services: Non-worker's comp	yes
pp	Feel free to list additional services we have left out.	
11	If you have a Lab contract please provide the Lab testing capabilities. List associated pricing , by CPT code, in your Cost Proposal.	This service will be sub-contracted out. See pricing sheet.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

12	Please describe your quality assurance program or process.	Quality Management Process A plan is established, documented, and implemented for an ongoing quality management program that, at a minimum, includes: a. A method to identify, document, and evaluate incidents; b. A method to collect data to evaluate services provided to patients; c. A method to evaluate the data collected to identify a concern about the delivery of services related to patient care; d. A method to make changes or take action as a result of the identification of a concern about the delivery of services related to patient care. STI also provides for each contracted client a care coordinator that tracks and monitor all cases for quality. Cases in question get referred to our peer review service, medical director and clinical manager when care extends beyond what would normally be expected. The medical criteria triggering review usually depend upon the type of injury, diagnosis, occupational physical demands of the work and surgical status to name a few.
13	Would you be willing to offer a discount for annual public safety physicals to the Glendale Regional Public Safety Training Center partners? If so, please include the discounted price. (Partners: Avondale Fire, Peoria Fire, Surprise Fire, Glendale Fire/PD, MCCCD)	yes, 20%
F	**Clinical Services - Occupational Health**	
1	Please describe your philosophy for providing occupational health care.	STI & Urgent Care plus believe that Communication with HR and Risk Management is essential to the success of any work comp program.STI & Urgent Care will provide occupational health services based on the philosophy the a worker is like an athlete. The worker should be rehabilitated to their formal level of functioning. Light duty should be implemented and the worker monitored for improvements. All ICA guidelines are adhered to.

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

2	Describe how your organization will handle referrals to specialists.	The case coordinator is responsible for maintaining communication with Risk Management, the treating physician, and the patient. All referrals will be discussed with Risk Management and made based on evidienced based criteria. Referrals to specialist will be managed within a 24-48 hr timeline and will be managed by our care coordinator through our network of the top providers in the area.
3	Please describe your occupational health service capabilities and the types of services which can be addressed on-site and off-site.	All occupational services including worker's compensation, medical surveillance, all physical types, and all wellness programming can be completed at the Glendale clinic. All worker's compensation services, DOT physicals, immunizations, and urgent care services can be provided through Urgent Care Extra.
4	Describe your experience in providing AZ POST Police Officer examinations.	Dr, Levitin has 30 years of Occupational Health service and experience with providing all medical Surveillance
5	Describe how your organization will integrate Worker's Compensation medical services through the clinic.	As they are OCC health and Urgent Care clinics they are well versed in the operations of Worker's compensation and it is already integrated.
G	**Clinical Services - Pharmacy**	
1	Confirm which designated member of your staff who has the ability to write prescriptions will be on-site at all times.	Either a physician or a physician assistant will always be present during open clinic hours. Urgent Care extra will be available every day from 7 am - 7 pm who can also prescribe medication.
2	What type of pharmacy services can you provide?	Through Urgent Care Extra full pharmacy services are available.
3	Please indicate, if any, what prescriptions will be dispensed on-site.	describing, dispensing, and administrating
H	**HIPAA Compliance and Confidentiality**	
1	Describe what practices your organization has in place to protect confidentiality of individual information when electronically transferring information pursuant to HITECH.	We are not familiar with HITECH but STI does and will abide by all rules of the Health Information Portability and Accountable Act (HIPPA).
2	Describe what steps your plan takes to ensure HIPAA compliance.	HIPPA training is required of all employees at initial orientation and annually.
3	What parties will have access to personal health information?	Only those who are providing direct service
4	Describe how confidentiality is assured and how it is communicated to the participants.	HIPPA training is required of all employees at initial orientation and annually.
5	Describe how you will secure patient charts.	In Locked file cabinets

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

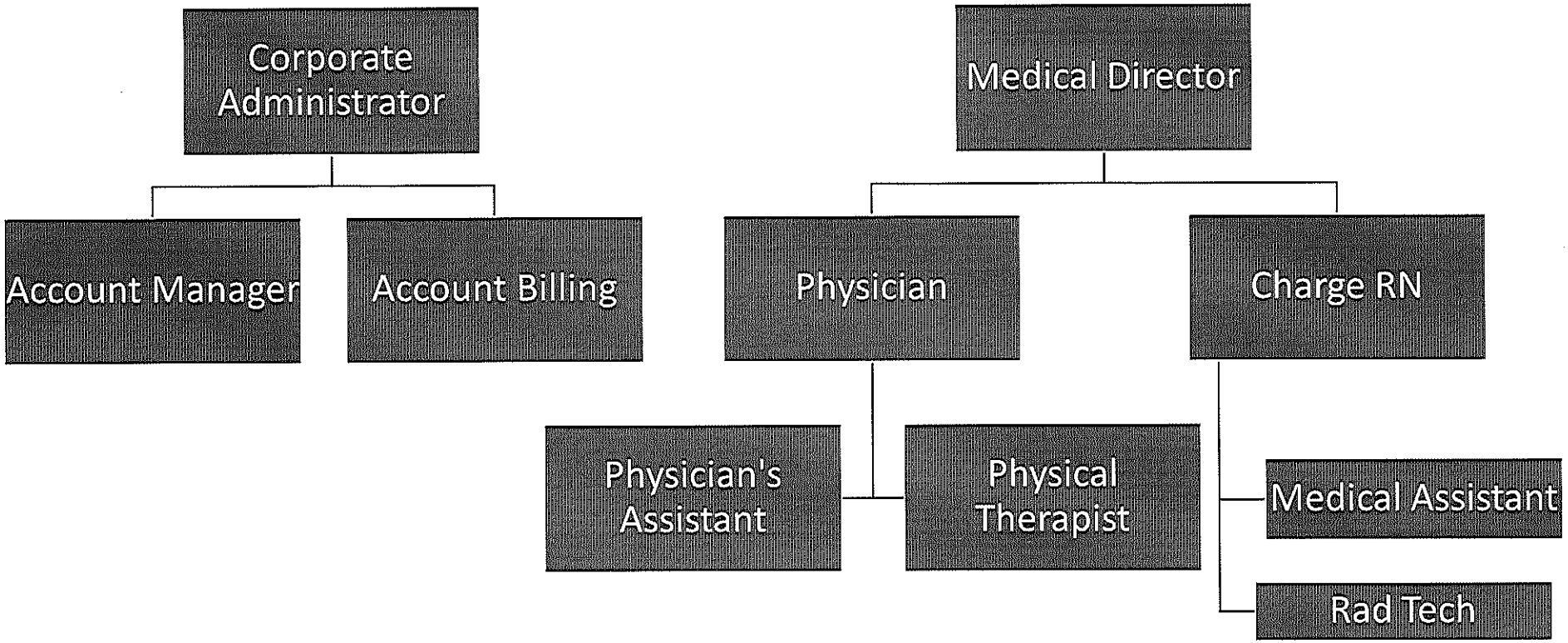
6	Describe how you will secure electronic records.	All EMR is password protected
7	Describe your policy relative to sharing, selling or otherwise utilizing member usage and other member data.	STI does not share or sell any member utilization
8	Indicate what electronic records will be retained by the City upon contract termination	Medical Record information would be maintained for 20 years unless requested by written request to be passed on to another entity
I	**Wellness**	
1	Describe qualifications, services or other information unique to your organization in the wellness and prevention area.	Dr. Levitin is Board Certified in Health Prevention. All licensed employees will maintain all needed requirements to practice within their scope per Arizona statutes
2	Provide an executive summary of the wellness services your firm provides. All pricing for these services (per member/per month, etc...) shall be included in your Cost Proposal.	Wellness opportunities include, nutrition education, fitness, immunizations, screenings, wellness promotion, and health fairs
3	Describe any biometric Health Risk Assessment tools your organization offers. Provide any associated costs in your Cost Proposal.	This would be subcontracted
4	What assistance in on-site education will you provide as a value-added component of this agreement?	Education can be provided in nutrition, physical fitness, stress management, areas of self-care; age specific exams- prostate screening , breast exams, the need for immunizations, preventing the flu..
5	Please describe your process for maintaining and improving employee wellness.	Ongoing education, health promotion activities, and biometric measurements
6	Describe the methods you use to identify and manage high risk members.	High risk members would be identified through HRA and claims mining
7	What would your participation and contribution be to an annual health fair?	We will happily participate and contribute.
8	Can you provide participation data for the purposes of incentive administration?	This would be subcontracted
9	How would you coordinate with mobile services such as mammograms and prostate screenings?	This would be subcontracted
10	What services/vendors can you integrate? (e.g., biometric screenings, case management, disability, disease management, EAP, eligibility, fitness programs, health plan/carriers, health risk assessment, behavioral health, health and wellness programs, maternity management, utilization management, workers' compensation).	This would be subcontracted
11	How do you propose to leverage or integrate with our existing Wellness Programs?	STI can integrate though educations and assistance with screenings

CITY OF GLENDALE WELLNESS CLINIC
VENDOR QUESTIONNAIRE

VENDOR NAME: STI and Urgent Care Plus

12	If possible, how frequently can you export participation files to vendor partners? Please indicate if this service is included in your standard pricing.	This would be subcontracted
13	Describe any coaching programs or initiatives that would be available to participants and your criteria for participation in these programs. Provide any associated costs in your Cost Proposal.	STI can provide coaching on physical fitness and nutrition
14	Will you assist in on-site education as requested?	Yes
J	**Infectious Disease Management**	
1	Do you currently have a 24 hour hotline that public safety personnel could utilize if they have experienced a significant exposure? If so, please provide information about the hotline.	Yes. The number and information will be established once the contract is awarded.
2	Do you currently have an Infectious Disease Officer on staff?	yes, Dr. Levitin will act as IDO
3	If you do not currently have an Infectious Disease Officer on staff, would you entertain the option of paying a firefighter or police officer to take on a full-time role and service any west valley agency that requests this service?	Yes
4	How would you charge for this service?	per incident of $50
K	**Equipment and Supplies**	
1	Describe your plan for monitoring inventory and restocking of supplies.	An inventory list of supplies will be maintained and new supplies ordered weekly
2	Describe your organization's process and procedures to collect, secure and dispose of bio-hazardous materials.	All Universal Precaution will be followed with adequate waste receptacles for bio-hazardous. There is established contracted vendor for biohazard waste company
L	**Marketing**	
1	How do you plan to maximize participation in the Clinic?	We intend to market a full line of occupational medicine, urgent care, rehabilitation services, wellness and fitness to all public safety entities in the west valley. Our intent is to grow this clinic and the services it can offer.
2	Describe your role and the role of the City in any Marketing Plan.	Marketing plans and ideas will require collaboration with the City. However, the responsibility of execution will be STI's.

Glendale Health Center
Organizational Chart



Health Center Billing
PO Box 43466
Phoenix, AZ 85080
623.772.7717
F) 623.772.7726

Invoice

Date	Invoice #
5/31/2014	103295

Bill To

ACME Fire District
Attn: Accounts Payable
12345 S Any Street
Township, AZ 85000

P.O. Number	Dates of Service
PO-20059-12014	5/1-31/2014

Date	Name	Description	Amount
5/25/2014	Doe, John	Fire Physical-Pre-Placement, Annual	000.00
		TB/PPD test	00.00
		Urine Drug Screen-up to 134 panel	00.00
5/25/2014	Smith, James	Fire Physical-Pre-Placement, Annual	000.00
		TB/PPD test	00.00
		Urine Drug Screen-up to 134 panel	00.00
5/25/2014	Jones, William	Fire Physical-Pre-Placement, Annual	000.00
		TB/PPD test	00.00
		Urine Drug Screen-up to 134 panel	00.00

Total $0000.00

REFERENCES

RESPONDENT SUBMITTING PROPOSAL: STI - Urgent Care Extra

1. COMPANY NAME: City of Phoenix
   ADDRESS: 135 N. 2nd Ave, Phoenix, AZ 85003
   CONTACT PERSON: Debbie Miller
   TELEPHONE: (602) 262-4665 E-MAIL ADDRESS: debbie.miller@phoenix.gov

2. COMPANY NAME: Rural Metro Corp / Southwest Ambulance
   ADDRESS: 708 W. Baseline Rd., Mesa, AZ
   CONTACT PERSON: Tuesday Kramer
   TELEPHONE: (602) 655-7399 E-MAIL ADDRESS: Tuesday.kramer@rmetro.com

3. COMPANY NAME: City of Glendale Fire
   ADDRESS: 5800 W. Glenn Dr., Ste 350, Glendale, AZ 85301
   CONTACT PERSON: Mark Burdick - Chief
   TELEPHONE: (623) 772-7191 E-MAIL ADDRESS: mburdick@glendalaz.com

4. COMPANY NAME: Arizona Spine Center
   ADDRESS: 333 W. Thomas Rd, Ste 202, Phoenix 85013
   CONTACT PERSON: Zoran Maric, M.D.
   TELEPHONE: (602) 274-0480 E-MAIL ADDRESS: zmaric1@cox.net

5. COMPANY NAME: City of Tempe
   ADDRESS: 20 E. 6th St., 2nd Floor, Tempe, AZ 85281
   CONTACT PERSON: Chris Hansen
   TELEPHONE: (480) 350-2904 E-MAIL ADDRESS: christopher_hansen@tempe.gov

6. COMPANY NAME: Salt River Pima Maricopa Indian Community
   ADDRESS: 10005 E. Osborn Rd., Scottsdale, AZ 85256
   CONTACT PERSON: David Bunce - Fire Chief
   TELEPHONE: (480) 850-8239 EMAIL ADDRESS: david.bunce@srpmic.gov

YORK

April 16, 2013

To Whom It May Concern,

I have worked with STI for approximately 17 years. During this time period they have provided services to multiple clients. I have found their therapy services and customer service to be top notch. Their staff is highly trained and very committed to excellent outcomes as quickly as possible. Injured workers are treated with respect and dignity while following the physician's treatment plan. Their utilization review services are also very valuable in driving the right outcomes.

I appreciate their commitment to patient care and optimal outcomes for all involved parties. I plan to continue working with STI for many years to come and do not hesitate to recommend them.

Sincerely,

Deborah S. Baker
Sr. Vice President
West Region

York Risk Services
5353 N. 16th Street, Suite 250
Phoenix, AZ 85016

480.606.5580 **office**
800.890.7418 **toll free**
614.717.6109 **fax**
602.743.5728 **cell**

www.yorkrsg.com

City of Phoenix
PERSONNEL DEPARTMENT

Monday, March 26, 2012

To whom it may concern,

Please allow this letter to serve as a professional recommendation for STI Physical Therapy and Rehabilitation. The City of Phoenix has worked with STI since 2010 when they, and their STICare network, were awarded our occupational physical therapy services contract. I have been very pleased with the service STI has provided our injured employees. The injured workers get treated quickly and are provided a high level of service from STI's dedicated care coordinators, through their clinical group.

In addition, we have seen greater in-network access with their wide area network coverage and alliance with Preferred Therapy Providers. Their care coordinators work diligently and professionally to steer injured workers to network clinics. Because of this, we have realized cost savings in our first year of the contract.

STI offers other services that we find useful and valuable as well. These include their ability to create wellness and injury prevention strategies and programs for our various departments. Their knowledge and expertise as it pertains to the full work injury management continuum from injury to return to work is much appreciated.

Please feel free to contact me should you have any further questions.

Sincerely,

Dave Booth

Dave Booth
Safety Supervisor
City of Phoenix Human Resources Department
(602) 262-4665
(602) 534-3978 fax

GLENDALE

Elaine Scruggs
Mayor

Ed Beasley
City Manager

MARK BURDICK
FIRE CHIEF

March 29, 2012

To Whom It May Concern:

It is my pleasure to write this letter as a professional recommendation for Strength Training, Inc. (STI) Physical Therapy and Rehabilitation. In 2009, The Glendale Fire Department started a partnership with STI with the inception of the Glendale Health Center. I have been very pleased with the service STI has provided our injured firefighters. The firefighters get treated quickly and are provided a high level of service from STI's dedicated care coordinators, through their clinical group. In addition, the STI Trainers provide exceptional service, during the functional movement screening portion of the annual firefighter physicals, to not only our firefighters but to the other fire agencies that utilize our Health Center. Prior to 2009, Glendale Firefighters have had a long-standing relationship with the STI Physical Therapists and Training Staff as they have provided top level care for their rehabilitative needs.

In addition, we have seen greater in-network access with their wide area network coverage and alliance with Preferred Therapy Providers. Their care coordinators work diligently and professionally to steer injured firefighters to network clinics. Because of this, we have realized cost savings since our first year of the contract.

STI offers other services that we find useful and valuable as well. This includes their ability to create wellness and injury prevention strategies and programs. Their knowledge and expertise as it pertains to the full work injury management continuum from injury to return to work is much appreciated.

Please feel free to contact me at 623-930-4401 or at mburdick@glendaleaz.com if you have any questions.

Sincerely,

Mark Burdick

City of Glendale Fire Department
5800 West Glenn Drive, Suite 350 - Glendale, Arizona 85301
Office 623-930-4400 - Fax 623-847-5313
"Fast, Caring, Innovative and Professional"

Rural/Metro Corporation

Thursday, March 22, 2012

To whom it may concern,

Please allow this letter to serve as a professional and personal recommendation for STi. I have worked with STi for a number of years and sent countless injured employees to their therapists to resolve on the job injuries because I consistently see positive results in a timely manner. I have also received positive feedback from the injured employees about the type of treatment, caring and quick response they received from STi. What I believe is an even more important testament of my belief in STi is that after my own shoulder surgery I completed my own rehab with STi. I have also had my daughter treat at STi for her own sports related injuries. I continue to use STi for physical therapy services and I look forward to a long partnership in the future.

Ken Davis
Director of Risk & Claims Management
Rural/Metro Corporation
9221 E. Via de Ventura
Scottsdale, AZ 85258

TEMPE
All-America City
2003

City of Tempe
P. O. Box 5002
20 E. Sixth Street
Tempe, AZ 85280
480-350-8998
480-858-2171-fax
www.tempe.gov

Tempe

FINANCIAL SERVICES DEPARTMENT
Risk Management Division

April 9, 2012

To Whom It May Concern:

I have been doing business with Strength Training Institute for approximately 15 years and they have always been responsive, professional and flexible in providing services I have requested. Whether I have handled industrial injury cases internally, with an insurance carrier, or with a third party adjuster, STI has been willing to collaborate with all parties involved in providing the best possible services to our injured employees, with a goal of the best possible outcome for all.

In addition to providing physical therapy and rehabilitation services, STI does a fantastic job with their outreach education programs relative to wellness and back injury prevention. They have been well received by our work groups and the information and resources they have provided have been invaluable. We will continue doing business with STI and look forward to any new products or services they have to offer in the future.

Regards,

Laura Guerrero

Laura Guerrero
Risk Manager
City of Tempe
laura_guerrero@tempe.gov

ROBERT L. LEVITIN, MD

Phone: (602) 277-9041
robertlevitin@gmail.com

1151 E. Ocotillo Rd.
Phoenix, AZ 85014

EDUCATION

MD	Ohio State University, College of Medicine Columbus, OH	June 1966
BA	Ohio State University, College of Arts and Sciences Columbus, OH	June 1962
DG	Amundson High School Chicago, IL	January 1958

POST-DOCTORAL TRAINING

Residency *(Community Health),* Ohio State University — October 1970– July 1972
College of Medicine, Department of Preventive Medicine
Columbus, OH

Residency *(Pediatrics),* Columbus Children's Hospital — July 1970– September 1970

Internship *(Rotating),* Mount Carmel Medical Center — July 1966 – July 1967
Columbus, OH

MEDICAL LICENSURE

State of California, October 1991
#Co43007

State of Arizona, August 11, 1978
#100732

State of Ohio, June 15, 1966
#29254

State of New Mexico, October 7, 2004
#MD2004-0522

SPECIALTY BOARD CERTIFICATION

American Board of Preventive Medicine in Occupational Health – 1976

ACADEMIC APPOINTMENTS

Associate, Family and Community Medicine Department — 1980 – 1991
University of Arizona, College of Medicine

Clinical Instructor, Department of Preventive Medicine — 1973 - 1978
The Ohio State University, College of Medicine

AFFILIATED INSTITUTIONS

Arizona Medical Association — 1979 – 1991
Member, Occupational Health Committee

Tucson Medical Center — 1978 – 1991
Consulting Scientific Staff

St. Mary's Hospital — 1978 – 1991
Associate Staff
Tucson, AZ

St. Joseph's Hospital — 1978 – 1991
Associate Staff
Tucson, AZ

Alcoholism Council of Southern Arizona — 1980 – 1982
Vice President – Board of Directors

Columbus Area Council on Alcoholism — 1977 - 1978
President
Columbus, OH

PROFESSIONAL ASSOCIATIONS AND SOCIETIES

American Medical Association

Arizona Medical Association

American College of Occupational and Environmental Medicine
- **Speaker**, ACOEM House of Delegates — 1998 – 1999

- **Speaker-Elect,** ACOEM House of Delegates 1997 – 1998
- **Recorder,** ACOEM House of Delegates 1996 – 1997
- **General Conference Chair,** American Occupational Health Conference April 1995
- **Delegate,** ACOEM House of Delegates 1988 – 1997
- **Fellow** 1978

Western Occupational and Environmental Association

- **General Conference Chair,** Western Occupational Health Conference April 2001
- **Chairman of the Board** 1993 – 1994
- **President** 1992 - 1993
- **President-Elect** 1991 - 1992
- **1st Vice President** 1990 - 1991
- **Treasurer** 1989 - 1990
- **Board Member** 1986 - 1989

PROFESSIONAL EXPERIENCE

Medical Director – STI Physical Therapy March 2014

Occupational Health Physician
Scottsdale Healthcare, Scottsdale, AZ June 2010 – December 2013
Occupational Health Department

Medical Director
Scottsdale Healthcare, Scottsdale, AZ December 2004 – June 2010
Occupational Health Department

Medical Consultant
MATRIX Absence Management, Phoenix, AZ February 2007 – December 2010

Consultant in Occupational Medicine November 1997 – December 2004

- *The Boeing Company*, Mesa, AZ
- *HIH Insurance Company*, Phoenix, AZ
- *Pinnacle West Corporation*, Phoenix, AZ
- *CorVel Corporation*, Phoenix, AZ
- *CompPartners*, Irvine, CA
- *Scottsdale Healthcare*, Occupational Health, Scottsdale, AZ

Western Region Medical Director
Concentra Medical Centers, Phoenix, AZ April 1996 – November 1997

Medical Director
Great States Insurance Company, Phoenix, AZ May 1994 – April 1996

Occupational Medicine Department Chair
CIGNA Healthcare of Arizona, Phoenix, AZ November 1991 – May 1994

Medical Director,
Mesa Lutheran Hospital, Mesa, AZ — January 1991 – November 1991
Occupational Medicine Department

Medical Director
Occupational Health Center, Tucson, AZ — December 1980 – December 1990

Occupational Medicine Department Chair
Thomas Davis Medical Center, Tucson, AZ — August 1978 – December 1980

Medical Director
Battelle Memorial Institute, Columbus, OH — October 1973 – August 1978

Staff Physician
John W. Wilce Health Center — August 1972 – October 1973
The Ohio State University, Columbus, OH

MILITARY SERVICE

Captain – Medical Corps, United States Air Force
Albrook AFB, Canal Zone — July 1967 – July 1970

ADDITIONAL PROFESSIONAL TRAINING

Medical Review Officer Certification Council
- Medical Review Officer Certification
- Certificate# 11-09196

University of California, Irvine, University Extension — October 1994 – July 1995
- FHP Medical Management Certificate Program

FORMAL TEACHING OF PEERS

Presenter, *"24 Hour Managed Care"* — April 1995
American Occupational Health Conference

LANGUAGES

English: Native Language

Spanish: Fluent in Oral and Written Communicatio

COMPUTER SKILLS

OHM Proficient

James L. Maher

President and Founder of Strength Training Inc.

Education

- Bachelor of Arts Health and Physical Education
- Extended Studies in Nutrition, Kinesiology and Fire Science

Foundational Years

- Phoenix native, family arrived in Arizona in 1928
- Interest in strength training began very early progressing with extensive study in the areas of health and fitness
- By junior high began developing what would soon evolve into his training philosophy
- Freshman year in high school began training both Glendale High School football players and track team members
- Age 15, won first National Olympic Lifting Championship. This would be the first of three teenage national championship wins culminating in four national records.
- Age 19, member of the Junior World Olympic Lifting Team
- Age 24 and 25, second place finishes in Men's National Power Lifting; Business obligations shortened competitive lifting career

Professional Accomplishments

- 1979 began professional training career at Jon Cole Systems (JCS), an athletic training center in Scottsdale, AZ, working with the Greenbay Packers, Arizona State football team and Phoenix Suns while developing and running the Strength Rehabilitation Area for JCS.
- 1980-1985 Glendale Firefighter
- January 1981, opened the first Strength Training facility
- 1981 began training police and firefighters for the National World Police and Fire Olympics. Over the next five years had numerous world and national championships in track and power lifting.
- 1981 -1991 Trained world class and Olympic athletes in track and field, football and basketball.
- 1982-1987 Strength Consultant for Glendale Community College. Glendale went from a nine year losing streak to four National Championship games and two Regional Championships
- 1983-1991 Strength Consultant for the Phoenix Suns
- 1984-1989 Strength Consultant for Grand Canyon University basketball team, during this time period Grand Canyon had four Final Four appearances
- 1985-1986 developed Anterior Cruciate Ligament and Posterior Crusciate Ligament, *Closed Kinetic Chain Rehabilitation Protocol*, for medical review.
- 1985 officially began development of the Phoenix Fire Department "medical/health/fitness program." Each firefighter goes through different facets of this program during the duration of employment. This program was the number one program in the nation beginning in its second year.

- In the mid-1990's as business continued to grow and expand the day-to-day duties urged a closeout to professional athletic training and to his therapeutic work around 2001
- 2009 assisted in development and operation of Glendale Health Center providing annual physicals and work injury management for fire, police and City of Glendale

Affiliations

- Governors Council of Health and Physical Fitness
- National Strength Coaches Association
- Served as Phoenix Fire Dept Liason for the medical/health/fitness program for fire departments around the country
- 1983-1992 Deputy Boxing Commissioner of AZ
- Served as liason for Arizona high schools, colleges and universities strength training and medical advice and information
- Served as advisor to the Minnesota Vikings
- Served as advisor for Phoenix Police Department in development of their medical health and fitness program
- Served as advisor to DEA, DPS, Highway Patrol, Local FBI, Rural/Metro, Tempe, Mesa, Glendale, Peoria an Phoenix fire departments

Speaking Engagements

- Arizona Worker's Compensation Claims Examiners
- State Fund Board of Directors
- Arizona State Coaches Association
- Phoenix Fire Department National Seminar for Medical/Health/Fitness
- Arizona Trial Attorney's Association
- Rehabilitation Insurances Nurses Group
- Wellness and Injury Prevention Presentations
    - City of Phoenix Departments- Housing, Streets and Waterworks
    - City of Surprise
    - Daisy Mountain Fire
    - City of Tempe
    - City of Mesa

In addition to the daily responsibilities of marketing and administrating this organization, Jim has been and continues to be an innovative leader in the field of strength training, functional rehabilitation and wellness and prevention.

Mark D. Hyland, OTR/L, CHT
Diplomate American Board of Disability Analysts

Education
- University of Alberta, Bachelor of Science in Rehabilitation Medicine: Occupational Therapy emphasis graduated 1989.
- University of Saskatchewan, Bachelor of Science in Psychology: Graduated 1986.
- Trained in the McKenzie Method of Mechanical Spinal Evaluation
- Certified functional capacity evaluator
- Hand Therapy Certification Committee: Certified Hand Therapist, 1996.
- University of Florida: Certified Med-x lumbar and cervical operator, 1992.
- University of Florida: Certified in spinal musculoskeletal evaluation and rehabilitation, 1992.

Work Experience
- *Director of Clinical Operations*, STI Physical Therapy and Rehabilitation, Inc.1994- present. Responsibilities: Work/Industrial Programs and Hand Therapy, outpatient orthopedics, sports physical therapy, adult rehabilitation, work hardening/conditioning, hand and U/E rehab, functional capacity evaluations, ergonomic job analysis and consultation, interdisciplinary team management, clinical operations, staffing and employee development, physician relations, provider network management, finances, contracting, credentialing and marketing.
- *Utilization and Peer Reviewer Consultant,* Medrisk, May 2009 – current.
- *Utilization and Peer Reviewer Consultant,* Preferred Therapy Providers, April 2011 - current
- *Injury and Disability Management Consulting,* 1993 to Present, ergonomics, job analysis/descriptions, prework screens, functional capacity evaluations, ADA and OSHA compliance, early return to work programs, transitional/modified/light work duty programs, wellness, prevention programs, case management/review
- *Medical-legal and forensic rehabilitation consulting.* Areas of expertise include standards of care for occupational and hand therapy, residual functional capacity and work tolerances following injury, impairment and disability. Experienced as both plaintiff and defense expert 1998 - present.
- *Director,* Arizona Spine Rehabilitation Center, 1991-1994. Responsibilities: Patient care, clinical program development, functional/work capacity evaluation, daily operations, staffing, employee development and productivity, physician relations, business development and marketing.
- *Staff Occupational Therapist,* Therapy Rehabilitation Services, March 1991 to August 1991: outpatient orthopedics, neurological inpatient rehab.

Certifications/Affiliations
- Certified Hand Therapist (CHT)
- ASTYM certified provider
- Diplomate American Board of Disability Analysts (ABDA)
- Progressive Goal Attainment Program (PGAP) provider
- Workwell Work Systems, Certified FCE Evaluator
- American Society of Hand Therapists (ASHT)
- American Occupational Therapy Association (AOTA)
- Charter member Praxis Partners
- International Association of Rehabilitation Professionals (IARPS)
- Licensed by Arizona Board of Occupational Therapy Examiners (#0461)
- National Federation of Independent Business (NFIB), Safety Committee
- City of Phoenix Fire Department
- Arizona Worker's Compensation Claims Association (AWCCA)
- Arizona Self Insured Association (ASIA)
- Arizona Work Disability and Prevention Association charter member (AWDPA)
- CPR Certified

Speaking Engagements/Lecturers/Presentations

- Arizona Trial Lawyers Association 1995
- Rehabilitation Insurance Nurses Group (R.I.N.G) 1996
- Arizona Association of Industry 1997
- American Society of Safety Engineers 1998
- Arizona Worker's Compensation Claims Association 1999
- National Association of Rehabilitation Professional (NARPPS) 1999
- Association of Legal Administrators (ALA) 2000
- Arizona Trial Lawyers Association (2001)
- Arizona Institute of Minimally Invasive Surgery (2001)
- Arizona Worker's Compensation Claims Association (AWCCA) April 03
- Texas Back Institute Annual Educational Conference, February 2004 – *The OT in Work Rehab*
- Scottsdale Healthcare Annual Occupational Health Conference October 2005 – *The Aging Worker – A Risk All Employers Should Not Ignore*
- Workers' Compensation in Arizona, PESI Seminar October 2005 – *When to Consider an FCE*
- Arizona Worker's Compensation Claims Association Feb 2008 – *Rehabilitation Outcomes and Evidenced Based Practice*

Publications

- Phoenix Fire Department, *The Job of Firefighting – An Analysis, Oct. 1995 (unpublished)*
- Arizona Claims Examiner, *When Should You Consider an FCE?*, Sept. 1999.
- Rehab Management, *Patient Compliance in Low Back Pain*, May/June 2000.
- OT Week, *Gaining a Foothold in Industry: Injury Prevention*, Vol. 13, March 1999.
- Rehab Management, *Industrial Expansion: The Story Behind Onsite Industrial Rehab Services*, August/Septemeber 2001.
- Arizona Claims Examiner, *Mercedes or Ford? The Choices We Make in the Managed Care Environment.* April/May 2002.
- PT Products Magazine, featured in cover article Nov. 2005

Awards and Achievements

- May 2002: AOTA Distinguished Service Award.
- July 1999 – June 2002: AOTA Work and Industrial Programs Standing Committee Member.

KEVIN SCOTT LADIN, M.D.
1331 N 7th St., Suite 360
Phoenix, AZ 85006
Telephone: (602) 246-9002

PERSONAL DATA:

Date of Birth: May 9, 1960
Place of Birth: North Miami Beach, Florida
Citizenship: U.S.A.

CURRENT POSITION:

Medical Director
Center for Physical Medicine & Rehabilitation, P.C.
Phoenix, Arizona

EDUCATION:

Post Graduate: Resident in Rehabilitation Medicine
Cornell University Cooperating Hospitals Program
July 1989- June 1992

Resident in Internal Medicine
Albert Einstein Medical Center
York and Tabor Roads
Philadelphia, PA 19141
June 1988-June 1989

M.D.: *Medical College of Pennsylvania*
3300 Henry Avenue
Philadelphia, PA 19129
June 1988

B.S.: *Pennsylvania State University*
University Park, PA 16802
Major: Science, with Honors
May 1984

CERTIFICATION:

Board Certified, American Board of Physical Medicine and Rehabilitation
Board Certified, American Board of Physical Medicine and Rehabilitation, Subspecialty Pain Medicine

CLINICAL ROTATIONS:

Albert Einstein Medical Center
York and Tabor Roads
Philadelphia, PA 19141
Responsibilities: inpatient, ambulatory and critical care medicine; night coverage; extensive ancillary services

New York Hospital – Cornell Medical Center
525 East 68th Street

New York, New York 10021
Responsibilities: inpatient and ambulatory Physical Medicine and Rehabilitation; hospital consultation; pediatric rehabilitation; electrodiagnosis; cardiac rehabilitation; prosthetic and orthotic clinics; resident teaching; night coverage; frequent didactic presentations

Memorial Sloan-Kettering Cancer Center
1275 York Avenue
New York, New York 10021
Responsibilities: ambulatory Physical Medicine and Rehabilitation; pediatric cancer rehabilitation; hospital consultation; lymphedema management program; chronic pain management; frequent didactic presentations

St. Barnabas Hospital
4422 Third Avenue
Bronx, New York 10021
Responsibilities: inpatient and ambulatory Physical Medicine and Rehabilitation; hospital consultations; electrodiagnosis

Lenox Hill Hospital
100 East 77th Street
New York, New York 10021
Responsibilities: Extensive electrodiagnostic studies

PROFESSIONAL MEMBERSHIPS:

American Board of Physical Medicine and Rehabilitation – Diplomate
National Board of Medical Examiners – Diplomate
Fellow, American Academy of Physical Medicine and Rehabilitation
Active Member, American Medical Association
Active Member, Maricopa County Medical Society
Fellow, Physiatric Association of Spine, Sports and Occupational Rehabilitation

RESEARCH AND OCCUPATIONAL BACKGROUND:

September 2013: The Examiner "OPIOIDS: THE GOOD THE BAD & THE EVIL"

September 2003: The Examiner "Pain Management in Workers' Compensation"

September 2001: The Examiner "Challenges in Worker's Compensation: A Physician's Perspective"

Summer 1999: The Medical Reviewer "Fibromyalgia: Controversies in Diagnosis and Treatment"

September 1998: The Examiner "Distinction Between Impairment and Disability in Workers Compensation"

COURSES:

Lower Limb and Spinal Orthotics
New York University Post – Graduate Medical School

Electrodiagnosis
New York Medical College

Conservative Management of Low Back Pain
The New York Back Society

HONORS AND RECOGNITION:

2010	Phoenix Magazine "Top Docs"
2009	Phoenix Magazine "Top Docs"
2005	Phoenix Magazine "Top Docs"
1984:	Named "University Scholar" – Pennsylvania State University
1982 - 1984:	Special Mention, Honors Biology Research – Pennsylvania State University "The mechanism of gynandromorph transmission in Bracon hebetor" Alpha Epsilon Delta Honor Society Dean's List

PRESENTATIONS: (most recent)

September'12	International Association of Rehabilitation Professionals "Fibromyalgia Syndrome: Current Concepts"
Aug'09-11	*The University of Arizona College of Medicine-Phoenix in partnership with Arizona State University* "Pain: Measurement and Management" PGY III Lecture Series
June'11	Geico "Pain: Measurement and Management"
September'10	Travelers/St. Paul "Pain: Measurement and Management"
May'10	Travelers/St. Paul "Pharmacological Management of Chronic Pain"
September'09	Western Occupational Health Conference "Power Orthopedics: The Spine"
May'09	State of Arizona Department of Energy and Military Affairs Joint Programs "The Independent Medical Evaluation"
March '09	ADOA Risk Management "The Independent Medical Evaluation"
Feb '09	Travelers/St. Paul "The PM&R/Pain Physician & Pharmacist"
Oct '08	Asia Fall Seminar "The PM&R/Pain Physician & Pharmacist"
May '07	Corvel Corporation "Panel Discussion Case Study"

TEACHING APPOINTMENTS

The University of Arizona, College of Medicine-Phoenix - Clinical Assistant Professor of Neurology
Midwestern University - Adjunct Assistant Professor - Division of Clinical Education

PROFESSIONAL EXPERIENCE:

State Bar of Arizona
Arbitrator Panelist
Phoenix, Arizona
2006

Panel Consulting Physician,
Department of Economic Security, State of Arizona
Phoenix, Arizona
1992 – Present

Associate, Center for Spine Care
Phoenix, Arizona
March 1993 – July 1994

Associate Medical Director
Central Arizona Rehabilitation Hospital
Chandler, Arizona
July 1992 – March 1993

House Physician
Gracie Square Hospital
New York, New York
1990 – 1992

House Physician
Parkway Hospital
Queens, New York
1989 – 1991

Emergency Room Physician
Albert Einstein Medical Center
Philadelphia, PA
1988 – 1989

LICENSURE:

Arizona	#20895	Pennsylvania	#MD-046881-L
New York	#179157	Federal DEA	#FL3326976

Certified in Advanced Cardiac Life Support/Basic Life Support

REFERENCES: Available upon request

Notice of Intent to Award

October 10, 2014

Request for Proposals (RFP) 14-07
Medical Occupational Health Services at Glendale Health Center

Thank you for participating and submitting an offer on the above solicitation. We appreciate your interest in doing business with the City of Glendale and trust that there will be opportunities in the future for your continued participation.

The City has completed its evaluation process of the offers received. The recommended award for this solicitation is to Strength Training Inc., DBA STI Therapy Division, whose proposal is most advantageous to the City.

If you have any questions, or would like further information about the award, please contact me not later than October 17, 2014.

Sincerely,

Elmer Garcia, CPPB
(623) 930-2866
Egarcia1@glendaleaz.com

Notice of Intent to Award

October 10, 2014

Request for Proposals (RFP) 14-07
Medical Occupational Health Services at Glendale Health Center

Thank you for participating and submitting an offer on the above solicitation. We appreciate your interest in doing business with the City of Glendale and trust that there will be opportunities in the future for your continued participation.

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If you have any questions, or would like further information about the award, please contact me not later than October 17, 2014.

Sincerely,

Elmer Garcia, CPPB
(623) 930-2866
Egarcia1@glendaleaz.com

GLENDALE

September 8, 2014

Mr. James Maher
President
Strength Training Inc. DBA STI Therapy Division
17233 N. Holmes Blvd, Suite 1650
Phoenix, AZ 85053-2030

Re: Price Sheet Clarifying Questions
RFP 14-07
Medical Occupational Health Services at Glendale Health Center

Dear Sir:

In order for the City of Glendale to continue its evaluation of your company's proposal, the following must be resolved through clarification. "Clarification" includes questions and answers for the sole purpose of gathering information in a proposal. Clarification does not otherwise afford the offeror the opportunity to alter or change its bid or proposal.

Please respond to these questions **on or before 5:00 PM Local Time, September 22, 2014** to avoid delays in the evaluation process. Please email your response to: egarcia1@glendaleaz.com Failure to provide this information within the stated time period may result in your proposal being deemed non-responsive, therefore, not considered for award. If you have any questions/concerns, please contact me. Thank you for your prompt attention to this request.

Sincerely,

Elmer Garcia, CPPB
Contract Analyst
City of Glendale
Finance/Materials Management Dept
5850 West Glendale Avenue, Ste 317
Glendale, AZ 85301
Email: egarcia1@glendaleaz.com

RFP 14-07
MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER
PRICE SHEET
Clarifying Questions
(Note: The Clinic will treat all City Employees, not just public safety (Police/Fire)

15	IV Hydration	What is the cost for non-work related (not workers' compensation)? The price is based on the type& amount of solution required and the amount of time needed to hydrate. The cost would range from $150-$450.
16	Lab Draws/Testing (CLIA)	Clarify what is included in this cost. The cost of the draw and the equipment needed to do the draw. Will all blood draws/testing be charged this cost in addition to any blood draws required in other costs? No Will the blood draw/testing be completed on site at the COG clinic? Blood draws will be completed at COG clinic, testing is sent to Sonora Quest labs. Employees can also be drawn at one of the many Sonora Quest lab locations. Specimens can also be collected on-site if needed.
17	Lift Test	Is the lift test included in other costs where it is required, or is it in addition to? It is included What is the cost for public safety (police-fire) employees? $70 What is the cost for non-public safety employees? $70 Define what is done for this cost. These are more than just lift tests. They are functional/physical performance tests. There are usually 6-8 events included in the lift test, they are related to positional tolerance and manual handling tasks. They would include Lifting, pushing, pulling, & carrying (x) lbs and be related to the essential job functions per the job description. It would also include grip testing if necessary and a basic musculoskeletal screen.
18	Occupational Therapy	If occupational therapy is needed for non-worked related injury/illness, what is the cost? The cost would be based on the services provided per visit and the CPT codes of the required therapy. The CPT code reimbursement would be based on the BCBS fee schedule.
19	On-call Services for Post Exposure Prophylaxis (PEP)	Initial Call: · 24/7/365 Hotline number? If so, what is the number? Stat Doc number will be set up, it can also be on-line or downloaded as an app to be used on a smartphone. · Who is the officer or firefighter speaking with? Stat Doc Physician on-call · What information/service is included when speaking with the officer or firefighter? Review of situation, determination for the need of testing of the employee and the source, determination of the need to begin prophylaxis. · If prophylaxis treatment is needed where is the officer/firefighter sent? Is the location open 24/7/365? Walgreens · Cost of the initial call $50.00 · Cost of the prophylaxis Varies depending on type and amount of medications ordered Baseline testing:

GLENDALE

RFP 14-07

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PRICE SHEET

Clarifying Questions

(Note: The Clinic will treat all City Employees, not just public safety (Police/Fire)

ITEM	DESCRIPTION OF SERVICE	CLARIFYING QUESTION
2	Annual Physical Exams	Confirm the costs quoted for annual physical exams (non CDL/DOT, nonpre-employment and non-public safety (police and fire) for current employees. For each of the annual physical exam costs quoted, explain what tests are included. Indicate if there are any other costs listed that would be in addition to the price quoted.
3	CBD with Diff (Complete Blood Count)	If this test is included in other services, is the cost in addition to the cost quoted for the other service(s)? Please define (for example, if CBD is needed for fire physicals, would this cost be in addition to the cost quoted for fire physicals)?
4	CMP (Comprehensive Metabolic)	If this test is included in other services, is the cost in addition to the cost quoted for the other service(s)? Please define (for example, if CMP is needed for fire physicals, would this cost be in addition to the cost quoted for fire physicals)? What is included in this cost?
6	DOT/CDL Physical Exams	Are there any other tests that would be in addition to the cost quoted for this exam? If so, explain. Confirm the cost is for all employees (including police/fire) if a CDL exam is required.
7	DOT/Non-DOT Drug and Alcohol Screens	Are there any other tests that would be in addition to the cost quoted for this exam? If so, explain. What is the separate cost for just a drug screen and the separate cost for just an alcohol screen?
9	EKG	Is this cost stand alone and not in conjunction with physicals or any other costs?
13	Immunizations & Injections	What are your costs for the following immunizations: Hemoglobin A1C Hep B Surface Antibody Titer TB Questionnaire-Define what this cost is. If an employee comes in for an immunization, is there any administration charge?
14	Initial Fracture Care	What is the cost for non-work related injuries that do not occur as a result of a workers' compensation injury?
15	IV Hydration	What is the cost for non-work related (not workers' compensation)?
16	Lab Draws/Testing (CLIA)	Clarify what is included in this cost.

		Will all blood draws/testing be charged this cost in addition to any blood draws required in other costs? Will the blood draw/testing be completed on site at the COG clinic?
17	Lift Test	Is the lift test included in other costs where it is required, or is it in addition to? What is the cost for public safety (police-fire) employees? What is the cost for non-public safety employees? Define what is done for this cost.
18	Occupational Therapy	If occupational therapy is needed for non-worked related injury/illness, what is the cost?
19	On-call Services for Post Exposure Prophylaxis (PEP)	Initial Call: · 24/7/365 Hotline number? If so, what is the number? · Who is the officer or firefighter speaking with? · What information/service is included when speaking with the officer or firefighter? · If prophylaxis treatment is needed where is the officer/firefighter sent? Is the location open 24/7/365? · Cost of the initial call · Cost of the prophylaxis Baseline testing: · If baseline testing of the officer/firefighter cannot wait until the next business day to go to the Glendale Health Center, where would the officer/firefighter go for the baseline? · Is counseling included during the initial visit whether going to the Health Center or another facility? · Cost Follow-up visits: Follow-up visits: · Cost for additional follow-up testing · How will you create reminders of follow-up testing to be communicated to the officer/firefighter? Police Department/Fire Department Safety Officers: · Do you have a lab that source blood can be taken to by the Safety Officer? · Location(s) · Hours of operation · Will you provide a requisition form that the Safety Officer can utilize when taking in source blood to the lab? · Turnaround time for notification to the Safety Officer regarding source blood results? · Any costs associated with the source blood testing?
24	Physical Therapy	If PT is needed for non-workers' comp what is the cost?
25	PPD (TB Skin Test)	Does the cost quoted include administration and read?
26	Pre-employment physicals	Clarify what is included in this cost for the following: Regular status employees (non police/fire). Will all blood draws/testing be included in this cost or in addition to? Will the blood draw and testing be completed on site at the COG

		clinic? If not, is there additional cost?
27	Prostate Exams	Please explain what type of exam is provided? (for example, a digital rectal exam by provider)?
28	Auditory Function Tests	Does this cost include the initial exam and any re-tests required, please explain. Confirm this cost is for the hearing conservation program for ALL employees.
30	Public Safety Physicals (Police/Fire)	What is the cost for a Fire Fighter Retiree physicals?
31	Pulmonary Function Tests	Confirm the costs quoted include: completing the OSHA respiratory questionnaire, sign off that the employee is medically cleared to wear a respirator, and if not, referral to a specialist for care or additional testing and confirmation employee cleared after specialist, reporting to HR & Risk Management for non-police personnel and to police, as needed.
32	Radiology (administer in-house, send out for reading)	What is the cost if not workers' comp related?
33	Randomizing of Drug & Alcohol Screens	Explain the cost, how it is applied and how each request will be utilized.
34	Routine Hearing Services (CDL Requirements)	If not included in item #6, CDL physicals, explain what is provided for this cost. What is the cost of hearing services provided for non-CDL employees?
35	Routine Vision Services	If not included in item #6 CDL physicals, explain what is provided for the additional cost. What is the cost of routine vision services provided for non-CDL employees?
36	Sick visits	Define what the sick visit basic exam includes and cost. Does the cost include CLIA waived tests?
37	Spirometry (lung function)	Is the cost for the stand alone test in addition to the fire/police/nonpublic safety physicals or is it included? Is this test included in the pulmonary function tests or in addition to?
38	Stress Test	Explain what is included in this test for the cost quoted. Is the cost for this test included in any other service and if so, please list. If the test is included in another service, is this cost in addition to the cost quoted for that service?
39	Surgical Procedures (Minor: Sutures, etc.)	What is the cost if not workers' comp related?
40	Urinalysis (for CDL, Random, Etc.)	Is the price in addition to the CDL physical cost or drug screening cost and explain how this will be charged.
41	Walk-In Services: Non-worker's comp	If an employee does not have a scheduled visit, is there a charge for "walking in" to be seen?
42	Additional services	What are the costs for: Breath Alcohol Confirmation; Breath Alcohol test;

		High Sensitivity Creatin Reactive Protein test; Lead test; and PSA?
43	Lab testing capabilities	Please list the lab tests you are capable of performing in house.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____

EXHIBIT B

Agreement for Occupational Health and Medical Services

EQUIPMENT

The City will provide and maintain the following equipment:

Type of Equipment	COG inv id	serial no	location id
X-Ray Machine	COG25531	170-11893	*GRPSTC H-7*
Pulmonary Machine	COG23788	AJS01277	*GRPSTC H-15*
Hearing Test Machine	COG23779	BC 181 559	*GRPSTC H-6*
Treadmills 1	COG23780	Q5005279	*GRPSTC H-4*
Treadmills 2	COG23781	Q5005278	*GRPSTC H-5*
Vision testing 1		815600299	*GRPSTC H-17*
Scales 1		4020057900	*GRPSTC H-18*
Scales 2		4020057905	*GRPSTC H-19*
Microwave		801TAXT02098	*GRPSTC H-32*
Refrigerator 1		DR312701	*GRPSTC H-13*
Refrigerator 2		AR312536	*GRPSTC H-32*

EXHIBIT C

Agreement for Occupational Health and Medical Services

STAFFING

The procedure for staffing physicians for the day-to-day medical operations of the Health Center shall be the responsibility of Contractor. Contractor may provide staffing as follows:

a. At least one of the positions, physician/medical director or physician assistant, shall be full time; i.e., full time physician/medical director and part time physician assistant or part time physician/medical director and full time physician assistant.

b. A pool of no more than four (4) physicians will be assigned to provide coverage for peak work time or relief time, as needed and dictated by work flow. Contractor will seek to provide physicians with a current affiliation with a Level 1 Trauma Facility and access to toxicology referral within one (1) hour of request.

c. **PHYSICIAN**: MEDICAL DOCTOR/DOCTOR OF OSTEOPATHY-MEDICAL DIRECTOR – FULL OR PART TIME (Permanently Assigned)

   a. A medical doctor/doctor of osteopathy will act as the medical director of the Health Center and must be qualified and capable of performing the following responsibilities:

      1) Director will act as the liaison between the contracted clinical staff the Health Center Deputy Chief and Glendale Human Resources and Risk Management. In addition, the director/doctor will perform baseline physicals; infectious and hazardous exposure examinations; will implement ongoing wellness programs for fire department personnel and City employees; will evaluate industrial injuries, and will serve as the Certified Medical Review Officer (MRO) for the City's drug and alcohol testing program.

      2) Responsible for performing all elements of physical examine in accordance with NFPA 1582 and AZ POST.

      3) Responsible for performing all elements of City's physicals, pre-employment physicals for City employees and potential employees in "non-safety" sensitive positions and in compliance with DOT and FMCSA.

      4) Will perform consultations for City employees and potential employees with infectious exposure to HIV, hepatitis C and B, tuberculosis, and all other infectious exposures.

      5) Will interface with City employees and their primary care physicians to assure proper health care.

      6) Will develop, update and revise procedures with regard to medical monitoring, fitness maintenance, and stress management as needed.

      7) Will participate in research projects regarding public safety and city of Glendale employee health and fitness.

      8) Will prepare and present educational materials to public safety and city of Glendale employees for training relating to health and wellness.

   b. Minimum Qualifications:
   Must be licensed M.D. or D.O. in the State of Arizona and have a valid ACLS certification. Must demonstrate substantial experience in the following areas: internal medicine, cardiovascular disease, medical toxicology, and occupational medicine. Must be familiar with and have experience working

within the requirements of NFPA 1582, IAFF/IAFC Wellness/Fitness Initiative, AZ POST and OSHA regulations, as well as DOT Drug and Alcohol collection and testing and Industrial Commission of Arizona Rules.

d. **PHYSICIAN ASSISTANT** - FULL OR PART TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will perform baseline physicals; evaluate, treat and follow up on industrial injuries and infectious and hazardous exposures.

2) Will support and implement on-going wellness program for fire department personnel and city of Glendale employees.

3) Will evaluate lab assessments and stress treadmill to assess fitness for duty for fire fighters in accordance with NFPA 1582.

4) Will perform pre-employment physicals for City employees and potential employees.

5) Will perform DOT/FMCSA exams and interface with city employees and their primary care physician to assure proper health care.

6) Will perform Drug and Alcohol testing for city employees and potential employees in accordance with DOT/FTA and FMCSA.

7) Will interface with fire fighters, police officers, and City employees and their primary care physician to assure proper health care.

8) Will develop, revise and update health care, policy, and other procedures at the Health Center, as needed.

9) Will participate in research projects in public safety and city of Glendale employees health and wellness.

10) Will prepare materials a necessary to assist in the health care and fitness training of public safety and city of Glendale employees.

b. Minimum Qualifications.
Must be nationally certified through the NCCPA, hold a current Arizona license, have an established DEA number, and be ACLS certified. Must demonstrate substantial experience in the following areas: family practice, occupational medicine, preventive medicine, or sports medicine. Must be familiar with and have experience working within the requirements of NFPA 1582 and the IAFF/IAFC Wellness/Fitness Initiative, AZ POST, OSHA Regulations, and DOT/FTA and FMCSA regulations and Industrial Commission of Arizona Rules.

5. **CLINICAL MANAGER/REGISTERED NURSE** - FULL TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will assist with preparation of charts and management of the flow of patients.

2) Will perform back office evaluations, vision, pulmonary function, hearing, and body composition examinations.

3) Will perform first aid physicals, evaluate, treat and follow up on industrial injuries

4) Will perform phlebotomy and administer medications as needed.

5) Will perform resting 12-lead EKS's and stress tests.

6) Will assist with infectious exposure consults and follow-ups.

7) Will transcribe back office evaluations onto medical records.

8) Will assist physicians with data collection for studies.

9) Will assistant physicians with treatment of medical patients.

10) Will assist with maintenance and stocking of medications and medical supply inventory.

b. Minimum Qualifications.
Registered nurse in the state of Arizona with experience in occupational medicine, orthopedics and infectious disease. Must be ACLS certified, having two years' experience in treadmill testing, immunizations and schedules. Must be familiar with and have experience working within the requirements of NFPA 1582 and the IAFF/IAFC Wellness/Fitness Initiative, AZPOST,OSHA Regulations, and DOT/FTA and FMCSA Regulations and Industrial Commission of Arizona Rules.

6. **CERTIFIED RADIOLOGY TECHNICIAN (CRT)** - FULL TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will conduct on-site x-rays for annual physicals, urgent care and industrial injuries.

2) Will assist with all aspects of physical exams, phlebotomy, vision, hearing, and patient flow.

3) Will be accountable for the ethical, legal and professional responsibilities related to radiology practice and patient confidentiality.

4) Will monitor and maintain an adequate inventory of supplies and material to ensure non-interruption of services.

5) Will prepare and maintain accurate documentation.

b. Minimum Qualifications.
Must be Board Certified in Arizona with a certification, or diploma, from an approved/accredited school of Radiology Program with a minimum of two year's experience.

7. **MEDICAL ASSISTANT** – FULL TIME (Permanently Assigned)

a. Must be qualified and capable of performing the following responsibilities:

1) Will assist with all aspects of physical exams, phlebotomy, vision, hearing, and patient flow.

2) Will be accountable for the ethical, legal and professional responsibilities related to patient confidentiality.

3) Will monitor and maintain an adequate inventory of supplies and material to ensure non-interruption of services.

4) Will prepare and maintain accurate documentation.

5) May be responsible for scheduling public safety physicals.

b. Minimum Qualifications.
Must have successfully completed a Medical Assistant Program through an accredited Institution with a minimum of two years' experience.

The Medical Assistant could fulfill the role of the receptionist/scheduler. See responsibilities below.

8. **RECEPTIONIST/SCHEDULER** - FULL OR PART TIME (Permanently Assigned)

   a. Must be qualified and capable of performing the following responsibilities:

      1) Will be responsible for patient's medical and immunization record data entry.

      2) Will answer telephones.

      3) Will maintain sign-in log for both medical and industrial patients.

      4) Will record all patients' visits in the computer.

      5) Will prepare computerized medical charge sheets.

      6) Will perform light typing for chart preparation.

      7) Will verify appointments and prepare charts for physical examines.

      8) Will assist patients with industrial paperwork

      9) Will provide via fax industrial injury medical notes and work status information to Human Resources and Risk Management following all industrial visits.

      10) Will provide via fax a copy of CDL Medical Certification cards to Human Resources and Risk Management.

   b. Minimum Qualifications.
   Must have a minimum of one year of experience working in a medical office. Ability to type 30 wpm, basic computer skills, ability to handle up to three incoming phone lines and pleasant communications over the telephone. Must have medical back office skills and experience, and the ability to interact professionally with City personnel and medical personnel.

EXHIBIT D

Agreement for Occupational Health and Medical Services

CONFIDENTIALITY AGREEMENT

Confidentiality and Non-Disclosure Agreement

I, _____ do affirm that I will not divulge City of Glendale personal health, personal identification, taxpayer, attorney/client or other confidential information to any unauthorized person(s) for any reason. Neither will I directly nor indirectly use, or allow the use of, City of Glendale personal health, personal identification, taxpayer, attorney/client or other confidential information, including HIPPA protected information for any purpose other than that directly allowed by statutes, laws, rules and regulations, ordinances, associated with the operation and services provided at the Glendale Health Center. I understand that personal health information, personal identification, taxpayer, attorney/client and other confidential information, including financial data, is strictly confidential.

Furthermore, I will not, either by direct action or by counsel, discuss, recommend, or suggest to any unauthorized person the nature or content of any City of Glendale documents, personal health, personal identification, taxpayer, attorney/client or other confidential information.

Federal and/or state law protects disclosure of personal and health information and taxpayer information. Violation of confidentiality is cause for legal action where you and or your Company can be held personally liable.

I understand that signing this document does not preclude me from reporting instances of breach of confidentiality.

Signed: _____ Date: _____

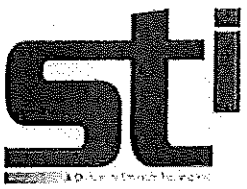
Printed Name: _____

Company Name: _____

EXHIBIT E

Agreement for Occupational Health and Medical Services

CONTRACTOR PRICE SHEET AND CLARIFYING RESPONSE



Response to Price Sheet Clarifying Questions:

City of Glendale
Materials Management
5850 West Glendale Ave., suite 317
Glendale, Arizona 85301

MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER
SOLICITATION NUMBER: RFP 14-07

September 22, 2014

RFP 14-07

MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER

PRICE SHEET

Clarifying Questions

(Note: The Clinic will treat all City Employees, not just public safety (Police/Fire)

2	Annual Physical Exams	Confirm the costs quoted for annual physical exams (non CDL/DOT, Non pre-employment and non-public safety (police and fire) for current employees. For each of the annual physical exam costs quoted, explain what tests are included. Indicate if there are any other costs listed that would be in addition to the price quoted. A Wellness Physical will include: Full System Examination of patient, including review of medical history Full lipid profile CBD, CMP, Hgb A1C Cost: $125
3	CBD with Diff (Complete Blood Count)	If this test is included in other services, is the cost in addition to the cost quoted for the other service(s)? No Please define (for example, if CBD is needed for fire physicals, would this cost be in addition to the cost quoted for fire physicals)?, No
4	CMP (Comprehensive Metabolic)	If this test is included in other services, is the cost in addition to the cost quoted for the other service(s)? No Please define (for example, if CMP is needed for fire physicals, would this cost be in addition to the cost quoted for fire physicals)? No What is included in this cost? If it is a part of an already priced physical there is no additional cost. As a stand-alone the price is $14.00
6	DOT/CDL Physical Exams	Are there any other tests that would be in addition to the cost quoted for this exam? No If so, explain. Confirm the cost is for all employees (including police/fire) if a CDL exam is required. $45.00
7	DOT/Non-DOT Drug and Alcohol Screens	Are there any other tests that would be in addition to the cost quoted for this exam? No If so, explain. What is the separate cost for just a drug screen $30 and the separate cost for just an alcohol screen? $30
9	EKG	Is this cost stand alone and not in conjunction with physicals or any other costs? Correct
13	Immunizations & Injections	What are your costs for the following immunizations: Hemoglobin A1C $23 Hep B Surface Antibody Titer $51 TB Questionnaire-Define what this cost is. $10, review of annual T# symptoms form for those employees who have tested positive in the past If an employee comes in for an immunization, is there any administration charge? No
14	Initial Fracture Care	What is the cost for non-work related injuries that do not occur as a result of a workers' compensation injury? The price is based on the body part(s) involved. The fracture care will include an office visit, x-ray, & splint). The cost would range form $150-$350

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		· If baseline testing of the officer/firefighter cannot wait until the next business day to go to the Glendale Health Center, where would the officer/firefighter go for the baseline? Arrangements would be made for blood draw at the nearest hospital. · Is counseling included during the initial visit whether going to the Health Center or another facility? yes · Cost it is included in the initial coll Follow-up visits: · Cost for additional follow-up testing 20% off ICA fee schedule · How will you create reminders of follow-up testing to be communicated to the officer/firefighter? Place in EMR, schedule reminders to be sent via text, or phone call Police Department/Fire Department Safety Officers: · Do you have a lab that source blood can be taken to by the Safety Officer? yes · Location(s) Sonora Quest labs are available valley wide · Hours of operation varies depending on location · Will you provide a requisition form that the Safety Officer can utilize when taking in source blood to the lab? yes · Turnaround time for notification to the Safety Officer regarding source blood results? If ordered stat less than 2 hours · Any costs associated with the source blood testing? yes
24	Physical Therapy	If PT is needed for non-workers' comp what is the cost? The cost would be based on the services provided per visit and the CPT codes of the provided services. The CPT code reimbursement would be based on the BCBS fee schedule.
25	PPD (TB Skin Test)	Does the cost quoted include administration and read? yes
26	Pre-employment physicals	Clarify what is included in this cost for the following: Regular status employees (non police/fire). Lift / functional performance test as required by City of Glendale. Will all blood draws/testing be included in this cost or in addition to? No the cost is for the lift test only Will the blood draw and testing be completed on site at the COG clinic? yes If not, is there additional cost? no
27	Prostate Exams	Please explain what type of exam is provided? (for example, a digital rectal exam by provider)? The exam includes a digital rectal exam, hemoccult, and a PSA lab test.
28	Auditory Function Tests	Does this cost include the initial exam and any re-tests required, please explain. yes Confirm this cost is for the hearing conservation program for ALL Employees. yes
30	Public Safety Physicals (Police/Fire)	What is the cost for a Fire Fighter Retiree physicals? $350.00
31	Pulmonary Function Tests	Confirm the costs quoted include: completing the OSHA respiratory questionnaire, sign off that the employee is medically cleared to

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		wear a respirator, and if not, referral to a specialist for care or additional testing and confirmation employee cleared after specialist, reporting to HR & Risk Management for non-police personnel and to police, as needed. Yes all costs are included.
32	Radiology(administer in-house, send out for reading)	What is the cost if not workers' comp related? There is no additional cost for the send out for reading of the x-ray.
33	Randomizing of Drug & Alcohol Screens	Explain the cost, how it is applied and how each request will be utilized. $50 for randomization, to run the table randomizer and identify who is required to be called in for testing. $35 for drug screen supplies, collection, & testing. $75 For MRO services to confirm any positive results and to report to the designated official as required.
34	Routine Hearing Services (CDL Requirements)	If not included in item #6, CDL physicals, explain what is provided for this cost. There is no additional cost for hearing services outside of the CDL cost. What is the cost of hearing services provided for non-CDL employees? $25
35	Routine Vision Services	If not included in item #6 CDL physicals, explain what is provided for the additional cost. There is no additional cost for hearing services outside of the CDL cost. What is the cost of routine vision services provided for non-CDL employees? $10.00
36	Sick Visits	Define what the sick visit basic exam includes and cost. Exam by the medical provider, symptom evaluation, vitals & history review $45. Does the cost include CLIA waived tests? No
37	Spirometry (lung function	Is the cost for the stand alone test in addition to the fire/police/nonpublic safety physicals or is it included? Included Is this test included in the pulmonary function tests or in addition to? Included
38	Stress Test	Explain what is included in this test for the cost quoted. Physician monitored Stress test based on Bruce guidelines. Review of findings, referrals to specialist or for additional testing as indicated. Is the cost for this test included in any other service and if so, please list. It is included in FF physical. If the test is included in another service, is this cost in addition to the cost quoted for that service? Included
39	Surgical Procedures (Minor: Sutures, etc.)	What is the cost if not workers' comp related? The price is based on the body part and the size of the wound. The cost is based on CPT codes and BCBS reimbursement rates. It ranges from $100- $330.
40	Urinalysis (for CDL, Random, Etc)	Is the price in addition to the CDL physical cost or drug screening cost and explain how this will be charged? Included
41	Walk-In Services: Non-worker's comp	If an employee does not have a scheduled visit, is there a charge for "walking in" to be seen? There is no extra charge for a walk in exam.
42	Additional Services	What are the costs for:

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		Breath Alcohol Confirmation; $50 Breath Alcohol test; $30 High Sensitivity Creatin Reactive Protein test; $25 Lead test; $30 and PSA? $20
43	Lab testing capabilities	Please list the lab tests you are capable of performing in house. Urine Dip, Strep Swab, Hemoccult

GLENDALE

September 8, 2014

Mr. James Maher
President
Strength Training Inc. DBA STI Therapy Division
17233 N. Holmes Blvd, Suite 1650
Phoenix, AZ 85053-2030

Re: Price Sheet Clarifying Questions
RFP 14-07
Medical Occupational Health Services at Glendale Health Center

Dear Sir:

In order for the City of Glendale to continue its evaluation of your company's proposal, the following must be resolved through clarification. "Clarification" includes questions and answers for the sole purpose of gathering information in a proposal. Clarification does not otherwise afford the offeror the opportunity to alter or change its bid or proposal.

Please respond to these questions **on or before 5:00 PM Local Time, September 22, 2014** to avoid delays in the evaluation process. Please email your response to: egarcia1@glendaleaz.com Failure to provide this information within the stated time period may result in your proposal being deemed non-responsive, therefore, not considered for award. If you have any questions/concerns, please contact me. Thank you for your prompt attention to this request.

Sincerely,

Elmer Garcia, CPPB
Contract Analyst
City of Glendale
Finance/Materials Management Dept
5850 West Glendale Avenue, Ste 317
Glendale, AZ 85301
Email: egarcia1@glendaleaz.com

GLENDALE

RFP 14-07

MEDICAL OCCUPATIONAL HEALTH SERVICES AT GLENDALE HEALTH CENTER

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(Note: The Clinic will treat all City Employees, not just public safety (Police/Fire)

ITEM	DESCRIPTION OF SERVICE	CLARIFYING QUESTION
2	Annual Physical Exams	Confirm the costs quoted for annual physical exams (non CDL/DOT, nonpre-employment and non-public safety (police and fire) for current employees. For each of the annual physical exam costs quoted, explain what tests are included. Indicate if there are any other costs listed that would be in addition to the price quoted.
3	CBD with Diff (Complete Blood Count)	If this test is included in other services, is the cost in addition to the cost quoted for the other service(s)? Please define (for example, if CBD is needed for fire physicals, would this cost be in addition to the cost quoted for fire physicals)?
4	CMP (Comprehensive Metabolic)	If this test is included in other services, is the cost in addition to the cost quoted for the other service(s)? Please define (for example, if CMP is needed for fire physicals, would this cost be in addition to the cost quoted for fire physicals)? What is included in this cost?
6	DOT/CDL Physical Exams	Are there any other tests that would be in addition to the cost quoted for this exam? If so, explain. Confirm the cost is for all employees (including police/fire) if a CDL exam is required.
7	DOT/Non-DOT Drug and Alcohol Screens	Are there any other tests that would be in addition to the cost quoted for this exam? If so, explain. What is the separate cost for just a drug screen and the separate cost for just an alcohol screen?
9	EKG	Is this cost stand alone and not in conjunction with physicals or any other costs?
13	Immunizations & Injections	What are your costs for the following immunizations: Hemoglobin A1C Hep B Surface Antibody Titer TB Questionnaire-Define what this cost is. If an employee comes in for an immunization, is there any administration charge?
14	Initial Fracture Care	What is the cost for non-work related injuries that do not occur as a result of a workers' compensation injury?
15	IV Hydration	What is the cost for non-work related (not workers' compensation)?
16	Lab Draws/Testing (CLIA)	Clarify what is included in this cost.

		Will all blood draws/testing be charged this cost in addition to any blood draws required in other costs? Will the blood draw/testing be completed on site at the COG clinic?
17	Lift Test	Is the lift test included in other costs where it is required, or is it in addition to? What is the cost for public safety (police-fire) employees? What is the cost for non-public safety employees? Define what is done for this cost.
18	Occupational Therapy	If occupational therapy is needed for non-worked related injury/illness, what is the cost?
19	On-call Services for Post Exposure Prophylaxis (PEP)	Initial Call: · 24/7/365 Hotline number? If so, what is the number? · Who is the officer or firefighter speaking with? · What information/service is included when speaking with the officer or firefighter? · If prophylaxis treatment is needed where is the officer/firefighter sent? Is the location open 24/7/365? · Cost of the initial call · Cost of the prophylaxis Baseline testing: · If baseline testing of the officer/firefighter cannot wait until the next business day to go to the Glendale Health Center, where would the officer/firefighter go for the baseline? · Is counseling included during the initial visit whether going to the Health Center or another facility? · Cost Follow-up visits: Follow-up visits: · Cost for additional follow-up testing · How will you create reminders of follow-up testing to be communicated to the officer/firefighter? Police Department/Fire Department Safety Officers: · Do you have a lab that source blood can be taken to by the Safety Officer? · Location(s) · Hours of operation · Will you provide a requisition form that the Safety Officer can utilize when taking in source blood to the lab? · Turnaround time for notification to the Safety Officer regarding source blood results? · Any costs associated with the source blood testing?
24	Physical Therapy	If PT is needed for non-workers' comp what is the cost?
25	PPD (TB Skin Test)	Does the cost quoted include administration and read?
26	Pre-employment physicals	Clarify what is included in this cost for the following: Regular status employees (non police/fire). Will all blood draws/testing be included in this cost or in addition to? Will the blood draw and testing be completed on site at the COG

		clinic? If not, is there additional cost?
27	Prostate Exams	Please explain what type of exam is provided? (for example, a digital rectal exam by provider)?
28	Auditory Function Tests	Does this cost include the initial exam and any re-tests required, please explain. Confirm this cost is for the hearing conservation program for ALL employees.
30	Public Safety Physicals (Police/Fire)	What is the cost for a Fire Fighter Retiree physicals?
31	Pulmonary Function Tests	Confirm the costs quoted include: completing the OSHA respiratory questionnaire, sign off that the employee is medically cleared to wear a respirator, and if not, referral to a specialist for care or additional testing and confirmation employee cleared after specialist, reporting to HR & Risk Management for non-police personnel and to police, as needed.
32	Radiology (administer in-house, send out for reading)	What is the cost if not workers' comp related?
33	Randomizing of Drug & Alcohol Screens	Explain the cost, how it is applied and how each request will be utilized.
34	Routine Hearing Services (CDL Requirements)	If not included in item #6, CDL physicals, explain what is provided for this cost. What is the cost of hearing services provided for non-CDL employees?
35	Routine Vision Services	If not included in item #6 CDL physicals, explain what is provided for the additional cost. What is the cost of routine vision services provided for non-CDL employees?
36	Sick visits	Define what the sick visit basic exam includes and cost. Does the cost include CLIA waived tests?
37	Spirometry (lung function)	Is the cost for the stand alone test in addition to the fire/police/nonpublic safety physicals or is it included? Is this test included in the pulmonary function tests or in addition to?
38	Stress Test	Explain what is included in this test for the cost quoted. Is the cost for this test included in any other service and if so, please list. If the test is included in another service, is this cost in addition to the cost quoted for that service?
39	Surgical Procedures (Minor: Sutures, etc.)	What is the cost if not workers' comp related?
40	Urinalysis (for CDL, Random, Etc.)	Is the price in addition to the CDL physical cost or drug screening cost and explain how this will be charged.
41	Walk-In Services: Non-worker's comp	If an employee does not have a scheduled visit, is there a charge for "walking in" to be seen?
42	Additional services	What are the costs for: Breath Alcohol Confirmation; Breath Alcohol test;

		High Sensitivity Creatin Reactive Protein test; Lead test; and PSA?
43	Lab testing capabilities	Please list the lab tests you are capable of performing in house.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____

EXHIBIT F

Agreement for Occupational Health and Medical Services

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That _____ (hereinafter called the "Principal"), as Principal, and _____, a corporation organized under the laws of the State of ____, (hereinafter called the "Surety"), as Surety, are held and firmly bound unto the City of Glendale, a municipal corporation in the State of Arizona (hereinafter called the "Obligee"), as Obligee in the amount of _____ Dollars ($ _____), for the payment whereof the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written contract with the Obligee, dated the _____ day of _____, 20___, whereby Principal agreed to _____ _____ which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW THEREFORE, the condition of this obligation is such that, if Principal shall faithfully perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract, with or without notice to the Surety, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all authorized amendments, modifications or exercise of options to said contract that may hereafter be made between the Principal and Obligee, notice of such amendments, modifications or exercise of options to this Surety being hereby waived, then this obligation shall be null and void, otherwise to remain in full force and effect.

The prevailing party or any party which recovers judgment on this bond shall be entitled to such reasonable attorney's fees as may be fixed by the Court.

Signed this ____ day of _____, 20 ____.

"Principal"

By: _____

Its: _____

"Surety"

By: _____

EXHIBIT G

Agreement for Occupational Health and Medical Services

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 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, 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, 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.

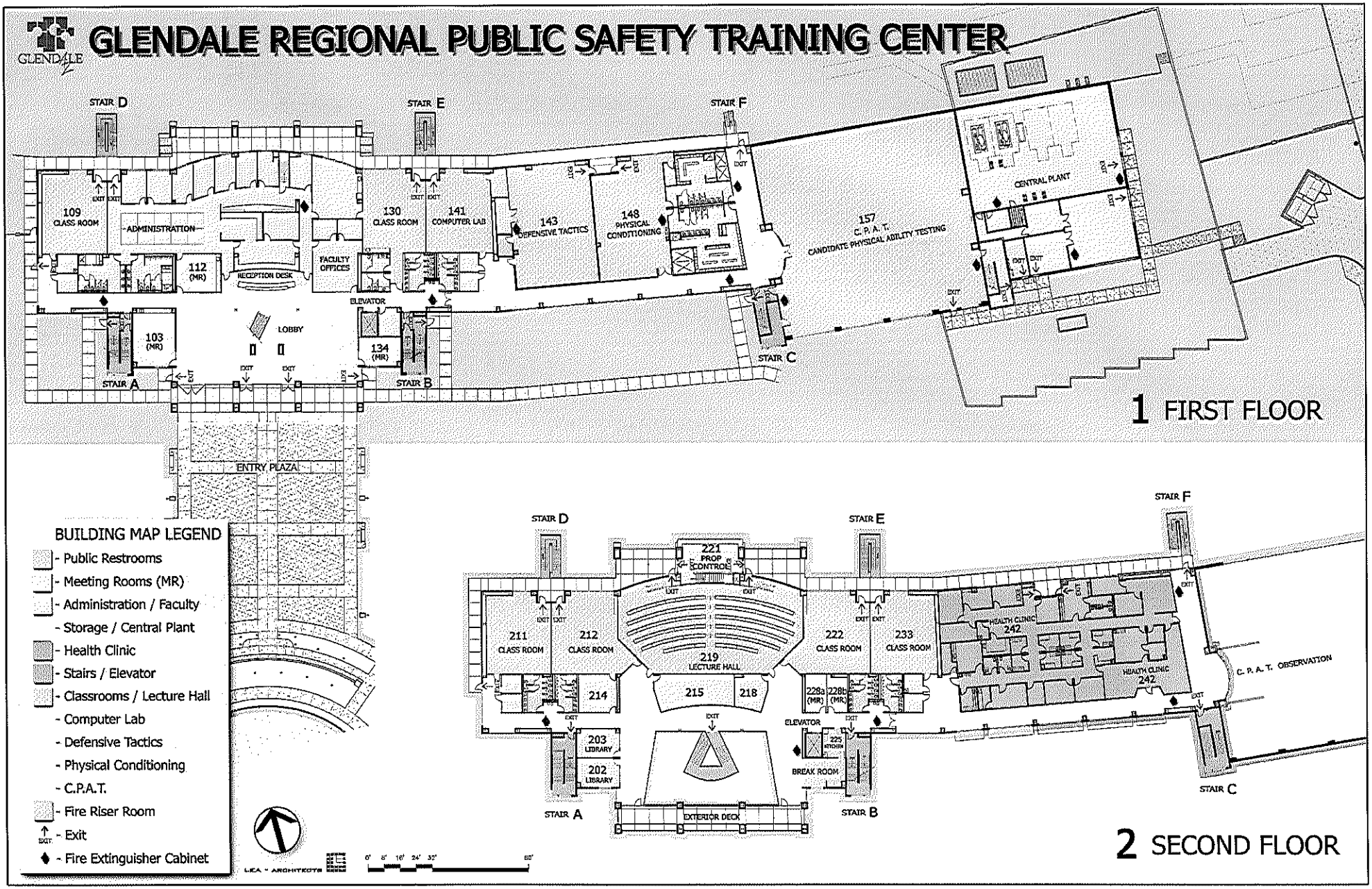
MAP A

Agreement for Occupational Health Medical Services

GRPSTC LAYOUT

[See attached]

GLENDALE REGIONAL PUBLIC SAFETY TRAINING CENTER

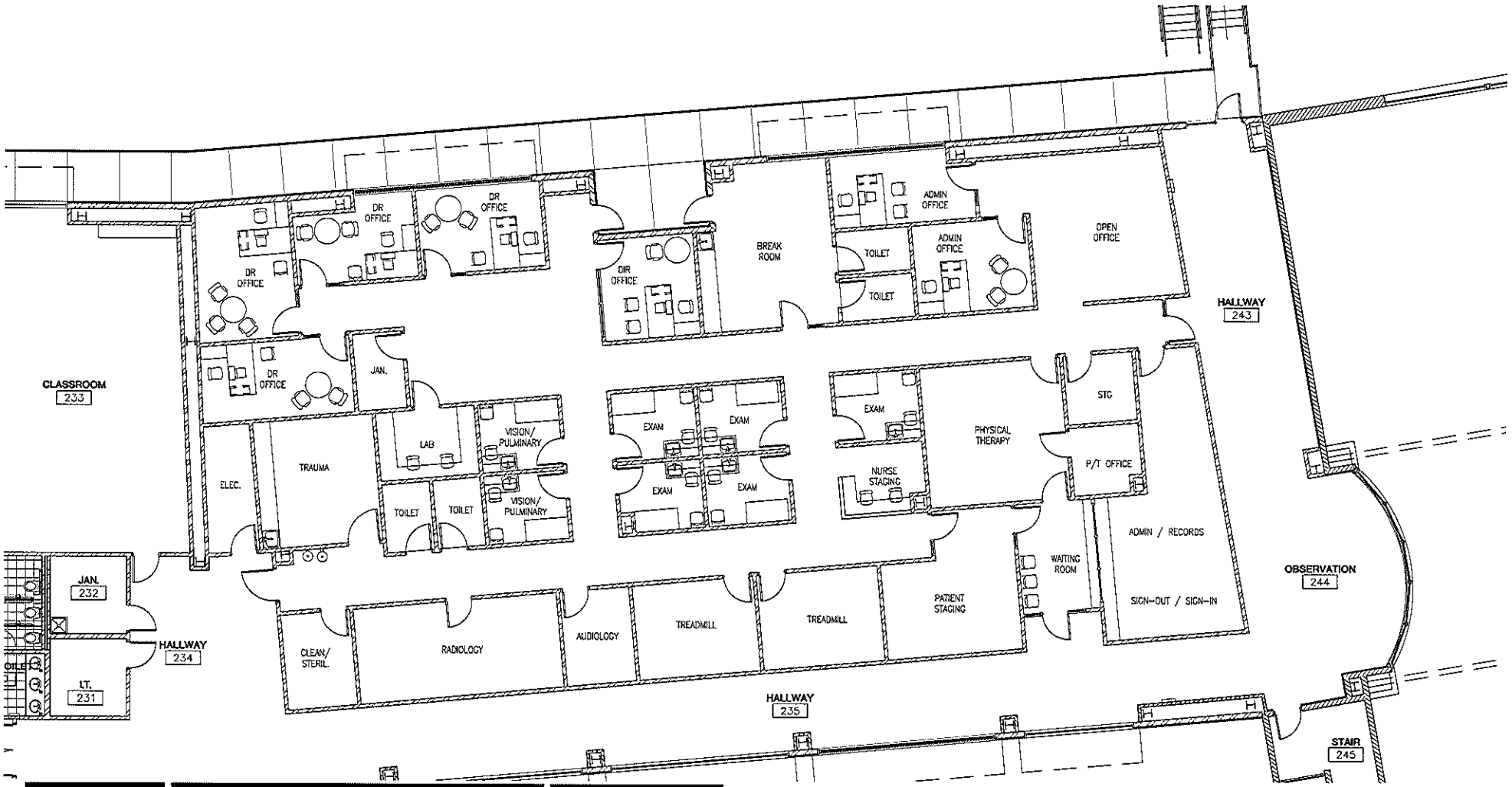


MAP B

Agreement for Occupational Health Medical Services

HEALTH CENTER FLOOR PLAN

[See attached]



1 **HEALTH CLINIC - SCHEMATIC LAYOUT**

SCALE: 3/32" = 1'-0"

date	job no.
05/30/07	0470
drawn by	checked
SS	RJ/LE
SHEET TITLE	

GLENDALE REGIONAL PUBLIC SAFETY TRAINING CENTER

LEA-ARCHITECTS, LLC
1730 EAST NORTHERN AVENUE PHOENIX, AZ
ARCHITECTURE PLANNING INTERIORS CONSTRUCTION MANAGEMENT

HC-5

File #: 14-407, **Version:** 3

RATIFICATION OF EXPENDITURE OF FUNDS FOR FESTIVAL ADVERTISING, SPONSORSHIP AND OTHER PROMOTIONAL SERVICES FROM SCRIPPS MEDIA, INC.

Staff Contact: Julie Watters, Director, Communications

Purpose and Recommended Action

This is a request for City Council to ratify an expenditure of funds to Scripps Media, Inc., doing business as KNXV-TV (ABC15), for advertising, sponsorship and other promotional services for the city's festivals, in an amount not to exceed $60,300.

Background

The City of Glendale has been producing festivals for more than 30 years. Each festival season the Office of Special Events implements a media plan to market Glendale's six signature festivals to local and regional media. That media plan includes advertising in television, radio, newspapers, Internet advertising, billboards, posters and fliers. ABC15 (KNXV-TV) is the city's current television partner and provides promotional spots, Internet advertising, in-studio festival promotion and on-air talent making appearances at the festivals based on a $60,300 budget.

Analysis

The City's festivals have an approximate attendance of 350,000 people each season and are considered a generator of economic activity for Glendale, specifically the Historic Downtown.
A 2011 study from the International Festival and Events Association, (IFEA), calculated Glendale Glitters Spectacular Weekend and the Glendale Chocolate Affaire generate a combined economic impact of more than $3 million annually. The study also concluded more than 70% of festival attendees are from a Valley city outside of Glendale and 5% are from out of state.

This advertising expenditure helps generate the city's messaging to inform citizens about the festivals. In general, this television advertising produces a return on the city's investment with a publicity measurement worth approximately $200,000 of the total impressions viewed by the television audience. In addition, this advertising serves as a marketing tool for the downtown creating a direct and positive impact to the merchants.

Community Benefit/Public Involvement

For more than three decades, Glendale has been the leader in community festivals, winning international and state awards. Glendale's downtown business community benefits financially from the events as they are revenue generators for the businesses and the city.

Budget and Financial Impacts

The budget for this expenditure comes from the festival revenue that is generated through sponsorships, vendor fees and beverage sales and used to continually operate the festivals each year.

Cost	Fund-Department-Account
$17,085	**1870-14321-518200, Glendale Glitters Spectacular, Festival Revenue**
$12,060	**1870-14322-518200, December Holiday Weekends, Festival Revenue**
$13,065	**1870-14323-518200, Glendale Glitter & Glow Block Party, Festival Revenue**
$18,090	**1870-14324-518200, Glendale Chocolate Affaire, Festival Revenue**

$60,300 Total

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

SPONSORSHIP AGREEMENT

This Sponsorship Agreement ("**Agreement**") is made as of October 10, 2014 (the "**Effective Date**"), by and among Scripps Media, Inc. d/b/a KNXV-TV, with offices at 515 North 44th Street, ("**Station**"), and City of Glendale ("**Sponsor**"), with offices at 5850 West Glendale Avenue, Suite B63, Glendale, AZ 85301. As used herein each of Station and the Sponsor shall be referred to individually as a "**Party**" and collectively as the "**Parties.**"

WHEREAS, Station seeks to assist in promoting the brand of Sponsor during the City of Glendale 2014 – 2015 Signature Event Season;

WHEREAS, the Station desires to provide to Sponsor certain sponsorship services on the terms and conditions provided herein.

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

1. **Appointment.** The Parties agree to work together to conduct the on-air event described herein and as outlined in the attached Exhibit A ("Event").

2. **Services**. The Parties agree to perform various services necessary to effectively and lawfully conduct the Event, as described more fully in Exhibit B ("Services").

3. **Sponsor Obligations.** Sponsor agrees to: (a) An advertising commitment of $60,000 Net plus 0.5% sales tax for a total not to exceed $60,300 (b) maintain documentation required by law for audit or other purposes; and (c) perform all other actions required by law for proper execution of event. Sponsor shall assume responsibility for its advertising and other promotional service obligations as identified in Exhibit B. Sponsor acknowledges that it is solely responsible for any damages, costs, judgments, penalties and expenses of any kind (including reasonable attorney's fees) which arise in relation to Sponsor's obligations under this Agreement. Sponsor shall perform the Services in a manner reasonably believed to be in the best interests of Station and with such care as a reasonably prudent Sponsor providing similar services would use under similar circumstances.

4. **Station Obligations**. Station agrees to: provide advertising and other promotional services as identified in Exhibit B. Station acknowledges that it is solely responsible for any damages, costs, judgments, penalties and expenses of any kind (including reasonable attorney's fees) which arise in relation to Station's obligations under this Agreement. Station shall perform the Services in a manner reasonably believed to be in the best interests of Sponsor and with such care as a reasonably prudent Station providing similar services would use under similar circumstances.

5. **Payment**. Payment shall be made in the manner outlined in Exhibit C.

6. **Term and Termination**.

   a. The term of this Agreement ("Term") shall begin on the date hereof and remain in full force and effect until the obligations of both parties are satisfied.

b. This Agreement is non-cancellable. However the Agreement may be terminated immediately in the event of a material breach by the other party, provided that the non-breaching party has given the breaching party not less than five days written notice of such breach and the breaching party fails to cure the asserted breach within such five-day period.

c. Sections 7, 8, 10 and 15 herein shall survive termination of this Agreement.

7. **Compliance with Laws**. Sponsor shall ensure that the event and all advertising and promotional materials created by Sponsor comply with all applicable federal, state and local laws. Station shall ensure that all advertising and promotional materials created by Station comply with all applicable federal, state and local laws. The parties shall comply with all regulations of the Federal Communications Commission, including but not limited to Sections 317 and 507 of the Federal Communications Act

8. **Indemnification**.

a. Station and Sponsor shall each indemnify, defend and hold harmless the other party, its parent, affiliate, subsidiaries, directors, officers, shareholders, employees, agents and attorneys from any and all claims, costs, liabilities, judgments, expenses or damages (including reasonable attorney's fees) arising out of any third party claim related to the performance of the obligations contained in this agreement.
b. In any case in which indemnification is sought hereunder, the party seeking indemnification shall::
    i. shall promptly notify the other of any claim or litigation to which the indemnification relates; and
    ii. afford the other the opportunity to participate in and, at the other party's option, fully control any compromise, settlement, litigation or other resolution or disposition of such claim or litigation.
c. This Section shall survive the expiration or termination of this Agreement and shall continue in full force and effect.

9. **License.** Each Party ("Licensor") hereby grants to the other Party ("Licensee") a limited non-exclusive license to use Licensor's trademarks and the corresponding logos as instructed during the Term in connection with the Services, subject to the following conditions. The Licensee recognizes the exclusive rights of Licensor in the Licensed Marks and will not contest, directly or indirectly, or in any way impair such exclusive ownership of the Licensed Mark or aid or encourage others to do so, both during the Term and afterwards. The Licensee further recognizes that all use of the Licensed Marks by the Licensee will at all times inure to the benefit of Licensor, and that the Licensee acquires no right title or interest in or to the Licensed Marks except the aforementioned limited non-exclusive license. Upon termination of this Agreement, the Licensee shall promptly deliver to Licensor or destroy all material bearing the Licensed Marks.

10. **Confidential Information**.

a. **Confidentiality**. Subject to Arizona Revised Statute 39-121 et. seq., any and all confidential information identified in writing as such by either party and provided to the other party under this Agreement ("Confidential Information") is confidential and proprietary to the disclosing party, and shall remain the property of the disclosing party. The receiving party agrees that it will not permit the duplication, use or disclosure of any such Confidential Information to any person (other than its own employees, agents or representatives who must have such information for the performance of its obligations hereunder), unless such duplication, use or disclosure is specifically authorized in writing in advance by the disclosing party. Confidential Information may include a party's past, present and future research, development and business activities; plans, methods, know-how, processes and techniques regarding its goods or services; rates, discounts and pricing strategies; or customers, creditors and suppliers. The receiving party agrees to return upon request of the disclosing party all Confidential Information which is written,

graphic or in other tangible form or acquired by the receiving party under this Agreement. The receiving party further agrees to inform all of its subcontractors and employees assigned to provide work under this Agreement that all Confidential Information is confidential and proprietary to the disclosing party. Confidential Information shall not include any information that (a) was or becomes generally available to the public prior to, and other than as a result of, a disclosure by the receiving party or (b) was available, or becomes available to the receiving party on a non-confidential basis prior to its disclosure. If the receiving party becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand or similar process) to make any disclosure that is prohibited or constrained by this Agreement, the receiving party must notify the disclosing party and provide disclosing party with sufficient opportunity to oppose such disclosure. If disclosing party elects not to oppose disclosure within a reasonable time, the receiving party is permitted to disclose that portion of the Confidential Information that the receiving party is legally compelled to disclose.

b. **Customer Information**. All names and other identifying data gathered as a result of the event, including without limitation the names and other information of event participants, is Confidential Information. Such Confidential Information shall remain the exclusive property of the parties. Any use of such Confidential Information by either party shall comply in all respects with applicable privacy regulations and with each party's privacy policy, as stated on that party's Web site, as such policy may be modified or amended from time to time.

c. **Publicity and Disclosures**. Each party agrees to make no press release or public disclosure, either written or oral, regarding the transactions contemplated by this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

11. **Force Majeure.** In the event that war, fire, explosion, flood, accident, strike, riot, act or omission of any governmental authority, act of God, or other contingency beyond the reasonable control of a party causes cessation or interruption of such party's performance under this Agreement, performance by such party shall be temporarily excused for the period of the disability, without liability, provided that such party shall have, promptly after it has actual knowledge of the beginning of any excusable delay, notified the other party of such delay, the reason therefor, and the probable duration and consequence thereof. The party so excused shall use commercially reasonable efforts to resume performance of its obligations hereunder with the least possible delay.

12. **Independent Parties.** The Parties agree that neither is the agent, servant or employee of the other, and that neither has the authority, express or implied, to bind the other to any obligations whatsoever.

13. **Assignment.** Neither Party shall assign its rights and/or obligations under this Agreement without the prior written approval of the other Party. This Agreement and all of the terms and provisions hereof will be binding upon, and will inure to the benefit of the Parties hereof, and their respective successors and approved assigns.

14. **Agreement Terms.** The financial terms of this Agreement are confidential and neither Party shall disclose such to others without the prior written consent of the other Party to this Agreement. Furthermore, all public statements or press releases prepared or made by any party concerning this Agreement or otherwise relating to the Services shall first be approved by the other Party hereto with respect to timing and content, and no such statements or broadcasts shall be released by any party without first obtaining the prior written consent of the other Party.

15. **Governing Law.** This Agreement shall be governed, construed, interpreted, enforced and the relations between the parties determined in accordance with the laws of the State of Arizona, without regard to its choice of law rules.

16. **Integration; Amendment.** This Agreement constitutes the entire agreement of the Parties hereto with respect to its subject matter and supersedes all prior and contemporaneous

representations, proposals, discussions, and communications, whether oral or in writing. This Agreement may be modified only in writing and shall be enforceable in accordance with its terms when signed by the Party against whom enforcement is sought, whether Sponsor or the Station.

17. **Severability; Construction.** If any provision or portion of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such provision or portion of this Agreement shall be deemed omitted and the remaining provisions and portions shall remain in full force and effect. Each Party hereto and its counsel have reviewed and revised (or requested revisions of) this Agreement and the Parties agree that it shall not be presumed that any ambiguities are to be resolved against the drafting Party in the construction and interpretation of this Agreement or any amendments or exhibits hereto.

18. **Notice**. All notices and other communications relative to this Agreement shall be in writing. Notices shall be delivered: (a) by mail (postage pre-paid), (b) in person, or (c) by facsimile to the appropriate person and address specified from time to time by written notice to the other Party. Notices shall be effective at time of receipt. All notices shall be sent to the address first listed above or as may be agreed to by the Parties in writing.

IN WITNESS WHEREOF, the Parties hereto have caused this Sponsorship Agreement to be executed as of the date first above written.

Scripps Media, Inc. d/b/a KNXV-TV

By: _____

Name: Anita Helt

Title: VP/General Manager

Date: 10-30-14

City of Glendale

By: _____

Name: Martin Dickey

Title: Special Events Division Manager

Date: 10-30-14

EXHIBIT A

The Event shall contain the following elements:

City of Glendale 2014 – 2015 Signature Event Season:
Glendale Glitters Spectacular Weekend (November 28-29, 2014)
Glendale Jingle Bell Rockin' Nights (December 5-6, 2014)
Glendale Winter Wonderland (December 12-13, 2014)
Glendale Spirit of Giving Weekend (December 19-20, 2014)
Glendale Glitter & Glow Block Party (January 10, 2015)
Glendale Chocolate Affaire (January 30-31, 2015)

EXHIBIT B

The Services shall include the following:

ABC15 to provide:

- A total of 220 spots (combination of: 30 second & :15 second) sign-on/sign-off on KNXV and 750 spots (combination of: 30 second & :15 second) sign-on/sign-off on the ABC15 15.2 Digital Channel November 2014 – February 2014 to promote the six (6) signature events
- 865,000 impressions on abc15.com November 2014 – February 2015
- Six (6) Sonoran Living Live segments to promote signature event - one (1) per event. Segment will air the week prior to event.
- Commercial production of six (6) :30 second and six (6) :15 second spots for the six (6) signature events – one (1) :30 second and one (1) :15 second spot per event. To accomplish this, ABC15 will provide :10 second tag with ABC15 talent and incorporate :20 seconds of Glendale event spot provided by Glendale to create one :30 second spot. This :30 second spot will be edited to the :15 second spot.

ABC15 Coverage Plan:

- Endeavour to provide live coverage by the ABC15 Weather team at each signature event. Events are: Glendale Glitters Spectacular Weekend, Glendale Jingle Bell Rockin' Nights, Glendale Winter Wonderland, Glendale Spirit of Giving Weekend, Glendale Glitter & Glow Block Party, and Glendale Chocolate Affaire
- ABC15 will provide emcees for two signature events. Events are: Glendale Glitters Spectacular Weekend and Glendale Chocolate Affaire

****Disclaimer** – Talent and News coverage listed above is a plan, and is at the sole discretion of the ABC15 News Department. All is subject to change pending breaking news. ABC15 to maintain complete editorial of coverage. No monetary value placed on news coverage.

City of Glendale to provide:

- Advertising commitment of $60,000 net (plus 0.5% tax) for a total not to exceed $60,300 between November 2014 and February 2015. Due net 30 days each month of event advertising
- Provide six (6) :30 second commercial with script attached – one (1) per each signature event
- ABC15 logo identification on main stage, event signage, water bill newsletter, print, video screen, and web page for each of the six (6) signature events. City of Glendale will provide ABC15 the opportunity to review and approve prior to print.
- Identification as a sponsor in press release on each of the six (6) signature events
- Six (6) VIP parking passes for each of the six (6) signature events
- Event footage for each of the six (6) signature events for use in commercials

EXHIBIT C

The Payment terms shall be as follows:

Advertising commitment of $60,000 net (plus 0.5% tax) for a total not to exceed $60,300 between November 2014 and February 2015. Due net 30 days each month of event advertising

File #: 14-423, **Version:** 1

AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH SUNBURST LANDSCAPING, INC. FOR INSTALLATION OF XERISCAPING AT GLENDALE PUBLIC HOUSING

Staff Contact: Erik Strunk, Director, Community Services

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to award the bid and enter into a construction agreement with Sunburst Landscaping, Inc., in an amount not to exceed $132,351.50. This construction agreement will allow the City of Glendale Community Housing division to install xeriscape landscaping at the Cholla Vista and Lamar Homes Public Housing rental communities.

Background

On behalf of the city, Glendale Community Housing maintains three public housing complexes with a total of 155 apartments. There are 51 apartments at Lamar Homes located at 6100 West Lamar Road, 70 apartments at Glendale Homes located at 5215 West Ocotillo Road, and 34 apartments at Cholla Vista Apartment Homes located at 5320 West Maryland Avenue.

As a part of the ongoing maintenance and capital improvement program funded by the Federal Government, approval of this item will allow the removal of all aging and damaged landscaping and grass from the Cholla Vista Public Housing apartment complex and replace it with water-wise trees, bushes, shrubs, and decomposed granite; repair, replace, and redirect old and broken sprinkler lines; and remove the current courtyard sidewalks and picnic tables to replace them with Americans with Disabilities Act (ADA) compliant walkways and picnic table access. In addition, small grass areas at the Lamar Homes public housing complex will be removed and replaced with decomposed granite. The use of the Fiscal Year 2013/14 CDBG award will therefore greatly speed up this project and reduce water consumption more quickly.

Analysis

During Fiscal Year 2013/14, the Glendale Community Housing Division was successfully awarded Federal Community Development Block Grant (CDBG) funds in the amount of $114,000 for this project. In the CDBG application, Glendale Community Housing included match funds of $28,500, bringing the total available to $142,500. The City of Glendale procurement process was followed and a Request for Proposal was issued. One bid was received, which has been deemed qualified. Therefore, staff is seeking approval from Council to authorize the City Manager to enter into a contract with Sunburst Landscaping.

Previous Related Council Action

Council previously approved the CDBG funding for this request during its review and approval of the Fiscal

Year 2013/14 CDBG Annual Action Plan on April 23, 2013.

Community Benefit/Public Involvement

The apartments in the city's three public housing communities are in very good condition due to ongoing maintenance and capital improvement programs funded by the federal Public Housing Capital Fund Program and Community Development Block Grant (CDBG) awards. This funding will allow Glendale Community Housing to continue to maintain the apartments and grounds while improving the quality of life for public housing residents, and to continue efforts to conserve water. This project will realize an estimated sprinkler system water savings of 60 percent.

During the CDBG grant award process, Glendale Community Housing presented the project to the Community Development Advisory Committee (CDAC), and the award went through the public hearing process at the City Council voting meeting held on April 23, 2013.

With this project, Glendale Community Housing will continue to make reasonable modifications, allowing seniors and persons with disabilities to have an equal opportunity to use and enjoy public housing.

Budget and Financial Impacts

Funds in the amount of $114,000 are available to install xeriscape landscaping at Glendale Public Housing communities through the approved Community Development Block Grant account (1320-31109-518200), as well as Community Housing Miscellaneous Capital Projects funds in the amount of $18,351.50 (2500-17910-551000).

No General Funds will be used for this project.

Cost	Fund-Department-Account
$114,000	**1320-31109-518200, Community Development Block Grants**
$18,351.50	**2500-17910-551000, Community Housing Misc. Cap. Projects**

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Sunburst Landscaping, Inc., a(n) corporation, authorized to do business in Arizona ("Contractor") as of the _____ day of November, 2014.

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) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."

(2) Contractor may engage specific technical contractor (each a "Sub-contractor") to furnish certain service functions.

(3) Contractor will remain fully responsible for Sub-contractor's services.

(4) Sub-contractors must be approved by the City, unless the Sub-contractor was previously mentioned in the response to the solicitation.

(5) 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 January 15, 2015 (45 days) 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 the Sub contractors will not exceed $132,351.50, as specifically detailed in the Contractor bid and set for in **Exhibit B** ("Compensation")

4.2 **Changes 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

(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, $1,000,000 for property damage and $2,000,000 annual aggregate.

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

(3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, products and completed operations, XCU hazards if requested by the City, and a separation of insurance provision.

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

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

(D) Workers' Compensation and Employer's Liability. Unless a sole proprietorship, contractor shall carry Arizona Statutory Workers' Compensation and Employer's Liability coverage.

(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, and City of Glendale will be named Certificate Holder.

(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 detailed in paragraph 7.1.

(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 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 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 pm.; or

(2) As of the next business day after receipt, if received after 5:00p.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.

1.2 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:

Contractor:	Sunburst Landscaping, Inc.
Attn:	Noelle Boothby, Vice President
Address:	8757 N. 78th Ave.
City, State, Zip:	Peoria, AZ 85345

(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: Fred Abrahams, Supervisor Community Housing
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

Contractor:	Sunburst Landscaping, Inc.
Attn:	Noelle Boothby, Vice President
Address:	8757 N. 78th Ave.
City, State, Zip:	Peoria, AZ 85345

(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 Cities 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 designees) 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. An 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

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read, understand, approve, and accept all of the provisions of this MOA.

CITY OF GLENDALE, an Arizona municipal corporation

_____

Brenda S. Fischer
City Manager

ATTEST:

_____

Pam Hanna
City Clerk (SEAL)

APPROVED AS TO FORM:

_____

Michael D. Bailey
City Attorney

Sunburst Landscaping, Inc.,
an Arizona corporation

By: _____

Its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2014, by _____, the Developer who signed the above document.

_____

Notary Public

My Commission Expires:

_____

EXHIBIT A

CONSTRUCTION AGREEMENT

PROJECT DECRIPTION

(See attached Project specifications and Drawings.)

EXHIBIT B

CONSTRUCTION AGREEMENT

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

The City shall pay the contractor $132,351.50.

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 $132,351.50.

DETAILED PROJECT COMPENSATION

The contractor shall bill the city directly at 30%, 60%, and 90% of project completion. The final 10% of the contract amount will be held for 30 day after completion of the project for retention.

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 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, 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, 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.

File #: 14-401, **Version:** 1

AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH VERTECH INDUSTRIAL SYSTEMS FOR ENGINEERING SUPPORT AND SERVICES FOR WATER AND WASTEWATER PROCESS CONTROL SYSTEMS UTILIZING A CITY OF BUCKEYE COOPERATIVE PURCHASING CONTRACT

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a multi-year linking agreement with Vertech Industrial Systems (Vertech) for engineering support and services utilizing a cooperative agreement with the City of Buckeye in an amount not to exceed $500,000 ($100,000 annually over the contract term of five years).

Background

This cooperative purchase contract will allow the city to acquire engineering support services from Vertech for the city's Water Services Department water and wastewater process control and SCADA (Supervisory Control and Data Acquisition) management systems. The SCADA system provides real-time operational performance data allowing the user to remotely monitor and evaluate the operation of the water treatment plants, wastewater reclamation facilities, and remote sites for both the water distribution and wastewater collection systems.

Vertech provides on-call, as-needed engineering and programming support, system integration and general consulting services essential to the operation of Water Services' SCADA system and infrastructure. Vertech was awarded Contract #2013-035 by the City of Buckeye through a competitive bid process. This cooperative purchase contract originates on March 4, 2014 with a termination date of March 4, 2019. Materials Management has reviewed and approved the utilization of the cooperative purchasing agreement from Buckeye for the defined services, and that it is in the best interest of the city.

Analysis

Process control systems are an essential component of the water and wastewater infrastructure. The complexity of these systems requires that we maintain internal and external resources that can quickly and effectively respond to any issues.

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's

procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Materials Management.

Community Benefit/Public Involvement

The SCADA system ensures system integrity and security to aid staff in the production and delivery of high-quality water services to residents and businesses in Glendale.

Budget and Financial Impacts

Total expenditures are not to exceed $100,000 per fiscal year for the term or this agreement. Funding is available in the Fiscal Year 2014-15 Water Services operating budget. Annual budget appropriation thereafter is contingent upon council approval.

Cost	Fund-Department-Account
$11,000	**2400-17250-518200, Pyramid Peak Plant**
$21,000	**2400-17310-518200, Oasis Surface WTP**
$18,000	**2400-17260-518200, Cholla Treatment Plant**
$8,000	**2400-17240-518200, Central System Control**
$13,000	**2360-17160-518200, Arrowhead Reclamation Plant**
$22,000	**2360-17170-518200, West Area Plant**
$7,000	**2360-17120-518200, Information Management**

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

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LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
VERTECH INDUSTRIAL SYSTEMS

THIS LINKING AGREEMENT (this "Agreement") is entered into as of _____, 2014, between the City of Glendale, an Arizona municipal corporation (the "City"), and Vertech Industrial Systems, a LLC corporation authorized to do business in Arizona ("Contractor"), collectively, the "Parties."

RECITALS

A. The City of Buckeye on March 4, 2014 entered into Contract Number 2013-035, (the "Vertech Contract"), a copy of which is incorporated into this Agreement by this reference.

B. The City is permitted to purchase the goods and services described in the Vertech Contract without further public bidding, and the Vertech Contract 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 Agreement.

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 Vertech Contract, Contractor consents to the City's utilization of the Vertech Contract 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 by reference, and the covenants and promises contained in this Agreement, the parties agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first set forth above and shall expire on March 04, 2019.

2. Scope of Work; Terms, Conditions, and Specifications.
    a) Contractor will provide City the supplies, goods or services Contractor provided the City of Buckeye under the Vertech Contract, as requested by the City in Section V of the Vertech Contract, and as further defined in the addendum attached as Exhibit "A."

b) Contractor agrees to comply with all the terms, conditions and specifications of the Vertech Contract for the purposes of this Agreement, and the terms, conditions, and specifications are incorporated in this Linking Agreement by this reference. The "City of Glendale" shall be substituted for "City of Buckeye" or similar reference to the City of Buckeye throughout the Vertech Contract.

3. Compensation.

a) The total purchase price for the goods and services authorized in this Agreement is not to exceed One Hundred Thousand Dollars and No Cents ($100,000) per year. In addition, the City may from time to time elect to purchase additional and services from Contractor pursuant to the Contract, and the City will comply with all applicable laws and ordinances regarding procurement and approval of such purchases.

[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:_____

"Contractor"

Vertech Industrial Systems, a Arizona corporation

By: Titus Crabb

Name: Titus Crabb

Title: President

Vertech Industrial Systems, LLC Agreement with the City of Glendale Arizona

Addendum

This addendum modifies the Service Agreement between Vertech Industrial Systems, LLC and the City of Glendale Arizona.

SCOPE OF SERVICES, EXHIBIT A, SCOPE OF WORK, Section 4. Equipment.

EXHIBIT C TO SERVICES AGREEMENT BETWEEN CITY OF BUCKEYE AND VERTECH INDUSTRIAL SYSTEM, LLC Scope of Work Section 4. Equipment

Section 4 is modified as follows:

Hardware and Software

Hardware	Software
Modicon Momentum	Proworks 32
Compacts	Concept
Quantum	Modsoft
M340	Unity
Mitsubishi	

SCOPE OF SERVICES, EXHIBIT A, SCOPE OF WORK, Section 11. Location.

EXHIBIT C TO SERVICES AGREEMENT BETWEEN CITY OF BUCKEYE AND VERTECH INDUSTRIAL SYSTEM, LLC Scope of Work Section 11. Location

Section 11 is modified as follows:

Arrow Ranch WRF	WestArea WRF	
Cholla		
Oasis		
Pyramid		

Booster Stations	
Zone 4	
Herbs	
AHMBS	

PRV			
Peoria Turnout	55th	Sweetwater	
Phoenix Turnout	59th	Bethany	
2/3 Split	64th	Camelback	
51st	Beardsley	81st	

Wells					
AH21	COG43	SRP5	COG6	SRP18	SR1
AH22	SRP22	COG6	SRP15	AH18	
SRP30	COGCBR	AH15	SRP16	COG33	
SRP40	SRP27	SRP5	SRP17	MR1	

Reservoirs	Lift Stations
TBird	83rd
Zone 4	67th G
	55th
	67th B
	Airport SLS
	RSPS

Lakes - Outlets
WestArea Lakes (5)
Arrowhead Ranch ERDS outlets (12)

BUCKEYE, AZ

CITY OF BUCKEYE
CONSTRUCTION AND CONTRACTING DIVISION

March 20, 2014

Bob Morris, Vice President
Vertech Industrial Systems
4409 East Baseline Road, Suite 127
Phoenix, Arizona 85042

RE: On-Call Water Resources Supervisory Control and Data Acquisition (SCADA) Services

Dear Mr. Morris,

The City of Buckeye would like to provide you with a fully executed original of the contract for On-Call SCADA services for our Water Resources Department. Should you have any questions or concerns regarding the contract, please feel free to contact me.

The City looks forward to a continued successfully business relationship with Vertech Industrial Systems.

Sincerely,

Deborah Fasano
Purchasing Agent

cc: file

SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
VERTECH INDUSTRIAL SYSTEMS, LLC

THIS SERVICE AGREEMENT (this "Agreement"), made and entered into this 4th day of March, 2014, by and between the CITY OF BUCKEYE, an Arizona municipal corporation, hereafter called the "CITY", and VERTECH INDUSTRIAL SYSTEMS, LLC, an Arizona Limited Liability Corporation hereafter called "CONSULTANT".

RECITALS

The City of Buckeye, Arizona, is authorized and empowered by the City Code to execute contracts for services.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, The City and Consultant agree as follows:

This Contract shall be in full force and effect only when it has been approved as required by the City Code and executed by the duly authorized City officials.

1.0 SCOPE OF SERVICES

The Consultant will perform services to assist the City with On-Call assistance in support and maintenance for the City's Water Resources Supervisory Control and Data Acquisition (SCADA) system.

The Consultant shall perform On-Call services to the satisfaction of the City and in accordance with the degree of care and skill that a professional in Arizona would exercise under similar conditions.

General scope requirements and standards related to service performed under this contract are more fully described in Exhibit C - General Scope of Services Requirements and Standards, which is attached herewith.

2.0 FEES AND PAYMENTS

2.1 FEE SCHEDULE

The City agrees to pay the Consultant for services rendered in accordance with the Fee Schedule incorporated as Exhibit D.

2.2 PAYMENT APPROVAL

The time spent for each task shall be recorded and submitted to the Water Resources Director or his representative. Consultant shall maintain all books, papers, documents, accounting records and other evidence pertaining to time billed and to costs incurred and make such materials available at all reasonable times during the contract period.

Monthly payments shall be made to the Consultant on the basis of a progress report prepared and submitted by the Consultant for work completed through the last day of the preceding calendar month. Each task shall be subject to review and approval by the Water Resource Director or his representative to determine acceptable completion.

The Water Resource Director or his representative reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis.

All charges must be approved by the Water Resources Director prior to payment.

3.0 GENERAL TERMS AND CONDITIONS

3.1 PROCUREMENT MANAGER

Procurement Manager for the City or his representative shall be assigned with an individual Notice to Proceed issued by the City for each task. The Water Resources Director his representative shall oversee the performance of this Contract, assist the Consultant in contacting members of the City, audit billings, and approve payments. The Consultant shall submit all reports and special requests through the Water Resources Director.

3.2 TERM OF CONTRACT

This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect for one year. Thereafter, the parties may renew this Agreement for up to four additional one-year terms.

3.3 TERMINATION OF CONTRACT

The City has the right to terminate this Contract or abandon any portion of the project, which has not been performed by the Consultant.

Termination for Convenience: City and Consultant reserve the right to terminate this contract or any part hereof for its sole convenience with thirty (30) days written notice. In the event of such termination, Consultant shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and SubConsultants to cease such work. As compensation in full for services performed to the date of such termination, the Consultant shall receive a fee for the percentage of services actually completed. This fee shall be in the amount to be mutually agreed upon by the Consultant and the City, based on the agreed Scope of Work and the value to the City of the services completed. If there is no mutual agreement, the Procurement Manager shall determine the percentage of completion of each task detailed in the Scope of Work and the Consultant's compensation shall be based upon such determination. The City shall make this final payment within sixty (60) days after the Consultant has delivered the last of the partially completed items. Consultant shall not be paid for any work done after receipt of the notice of termination, or for any costs incurred by Consultant's suppliers or SubConsultants, which Consultant could reasonably have avoided.

Termination for Cause: City may also terminate this contract or any part hereof with seven (7) days written notice for cause in the event of any default by the Consultant, or if the Consultant fails to comply with any of the material terms and conditions of this contract. By way of example and not limitation, unsatisfactory performance as judged by the Construction and Procurement Manager, and failure to provide City, upon written request, with adequate assurances of future performance shall all be causes allowing City to terminate this contract for cause. In the event of termination for cause, City shall not be liable to Consultant for any amount after the issuance of written notice, and Consultant shall be liable to City for any and all damages sustained by reason of the default that gave rise to the termination.

In the event Consultant is in violation of any Federal, State, County or City law, regulation or ordinance, the City may terminate this contract immediately upon giving written notice to the Consultant.

In the event the City shall terminate this Contract or any part of the services as herein provided, the City shall notify the Consultant in writing, and immediately upon receiving such written notice, the Consultant shall discontinue advancing the work under this Contract and proceed to close said operations.

Upon such termination or abandonment, the Consultant shall deliver to the City all drawings, special provisions, field survey notes, reports, and estimates, entirely or partially completed, in any format, including but not limited to written or electronic media, together with all unused materials supplied by the City.

The Consultant shall appraise the work it has completed and submit its appraisal to the City for evaluation.

If through any cause, the Consultant shall fail to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this Contract, the City may withhold any payments to the Consultant for the purpose of setoff until such time as the exact amount of damages due the City from the Consultant is determined.

3.4 FUNDS APPROPRIATION

If the City Council does not appropriate funds to continue this Contract and pay for charges hereunder, the City may terminate this Contract at the end of the current fiscal period, or at the time that funds are no longer available to meet the City's payment obligations hereunder. The City agrees to give written notice of termination to the Consultant at least thirty (30) days prior to any termination for a lack of funds and will pay to the Consultant all approved charges incurred prior to Consultant's receipt of such notice, subject to the availability of funds therefore.

The City may audit all of the Consultant's records, calculations, and working documents pertaining to this work at a mutually agreeable time and place.

Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the City to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by City's authorized representative to the extent necessary to permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees pursuant to the execution of the contract. The City's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

Consultant shall require all SubConsultants, to comply with the provisions of this article by insertion of the requirements hereof in a written contract agreement between Consultant and payee. Such requirements will also apply to any and all SubConsultants.

If an audit in accordance with this article, discloses overcharges, of any nature, by the Consultant to the City in excess of five percent (5%) of the total contract billings, the actual cost of the City's audit shall be reimbursed to the City by the Consultant. Any adjustments and/or payments, which must be made as a result of any, such audit or inspection of the Consultant's invoices and/or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of City's findings to Consultant.

3.6 CONFLICT ISSUES

The Law Firm warrants and covenants that Law Firm presently has no interest in, nor shall any interest be hereinafter acquired in, any matter which will render the services required under the provisions of this Contract a violation of any applicable state, local, or federal law. In the event any conflict of interest should arise, the Law Firm shall promptly notify the City of the existence of such conflict of interest so the City may determine whether to terminate this Contract. Conflict issues arising are governed by the Arizona Rules of Professional Conduct. The Law Firm should also refer to the Arizona Legal Ethics Handbook published by the State Bar of Arizona. Otherwise, the Law Firm shall be free to dispose of such portion of its entire time, energy and skill as are not required to be devoted to City in such manner as it sees fit, and to such persons, firms or corporations as it deems advisable so long as no conflict of interest exists.

3.6 OWNERSHIP OF PROJECT DOCUMENTS

All documents, including but not limited to, field notes, design notes, tracings, data compilations, studies, and reports in any format, including but not limited to, written or electronic media, which are prepared in the

performance of this Contract will become and are the property of City, including all intellectual property rights and interests.

3.7 COMPLETENESS AND ACCURACY

The Consultant shall be responsible for the accuracy of its work, including but not limited to, survey work, reports, supporting data, and drawings, sketches, etc. prepared or compiled pursuant to this Contract and shall correct, at its expense, all negligent errors or omissions therein which may be disclosed. The cost necessary to correct those errors attributable to the engineering errors shall be chargeable to the Consultant. Additional construction added to the project shall not be considered the responsibility of the Consultant unless the need for same was created solely by any negligent error, omission, or negligent act of the Consultant and does not result in a betterment to the City. The fact that the City has accepted or approved the Consultant's work shall in no way relieve the Consultant of any of its responsibilities.

3.8 ATTORNEY'S FEES

In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, which shall be deemed to have accrued from the commencement of such action.

3.9 SUCCESSORS AND ASSIGNS

This Contract shall extend to and be binding upon the Consultant, its successors and assigns, including any individual, company, partnership, or other entity with or into which the Consultant shall merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which the Consultant shall sell its assets.

3.10 ASSIGNMENT

Services covered by this Contract shall not be assigned or subcontracted in whole or in part without the prior written consent of the Construction and Procurement Manager.

3.11 SUBCONSULTANTS

During the performance of the Contract, the Consultant may engage such additional SubConsultants as may be required for the timely completion of this Contract. The addition of any SubConsultants shall be subject to the prior approval of the City.

In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Consultant.

3.12 ALTERATIONS OR ADDITIONS TO SCOPE OF SERVICES

The total scope of Services to be performed in accordance with this Contract is set forth herein. Services, which are not included in this Contract, will be considered Additional Services. The Consultant shall not perform these Additional Services without written authorization in the form of an approved Change Order from the City.

3.13 MODIFICATIONS

Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

3.14 CONFLICT OF INTEREST

This Contract is subject to cancellation pursuant to the provisions of A.R.S. 38-511.

3.15 FORCE MAJEURE

Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

3.16 TAXES

The fee listed in this Contract includes any and all taxes applicable to the activities hereunder. The City shall have no obligation to pay additional amounts for taxes of any type.

3.17 ADVERTISING

No advertising or publicity concerning the City using the Consultant's services shall be undertaken without prior written approval of such advertising or publicity by the Construction and Procurement Manager.

3.18 COUNTERPARTS

This Contract may be executed in one or more counterparts, and each executed duplicate counterpart of this Contract shall be deemed to possess the full force and effect of the original.

3.19 ENTIRE AGREEMENT

This Contract constitutes the entire understanding of the parties and no representations or agreements, oral or written, made prior to its execution shall vary or modify the terms herein.

3.20 ARIZONA LAW

This Contract shall be governed and interpreted according to the laws of the State of Arizona.

3.21 EQUAL EMPLOYMENT OPPORTUNITY

The Consultant shall comply with Executive Order No. 11245, entitled "Equal Employment Opportunity", as amended by Executive Order No. 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60).

3.22 NOTICES

All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

On behalf of the Consultant:	Titus Crabb, Member Vertech Industrial Systems, LLC 4409 East Baseline Road, #127 Phoenix, Arizona 85042
On behalf of the City:	Deborah Fasano, Purchasing Agent City of Buckeye 530 East Monroe Avenue Buckeye, Arizona 85326 P: 623-349-6174 F: 623-349-6160
With a copy to:	Gust Rosenfeld, P.L.C. 201 E. Washington, Suite 800 Phoenix, AZ 85004-2327 Attention: Scott Ruby P: 602-257-7993 F: 602-254-4878

Notices shall be deemed received on date delivered if delivered by hand and on the delivery date indicated on receipt if delivered by certified or registered mail.

3.24 INDEPENDENT CONSULTANT

The services Consultant provides under the terms of this Contract to the City are that of an Independent Consultant, not an employee, or agent of the City. The City will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

City shall not withhold income tax as a deduction from contractual payments. As a result of this, Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

3.25 INDEMNIFICATION

To the fullest extent permitted by law, the Consultant, its successors, assigns and guarantors, shall indemnify and hold harmless City of Buckeye, its agents, representatives, officers, directors, officials and employees for, from and against all damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, to the extent caused by or resulting from any negligent act or omission of Consultant in work or services performed under this Contract, including but not limited to, the negligent acts or omissions of any SubConsultant or anyone directly or indirectly employed by any SubConsultant for whose acts SubConsultant may be liable including any injury or damages claimed by any of Consultant's and SubConsultant's employees.

Any settlement of claims shall fully release and discharge the indemnified parties from any further liability for those claims. The release and discharge shall be in writing and shall be subject to approval by the City, which approval shall not be unreasonably withheld or delayed.

It is agreed that the Consultant's indemnity obligations under this agreement are triggered only if Consultant has notice of the allegations, demands, proceedings, suits, actions, claims, damages, losses or expenses contemplated above.

Insurance provisions set forth in this agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.0 INSURANCE

A Standard Accord Certificate of Insurance is acceptable provided it is contains the additional language and deleted language as required in this contract. Failure to provide a Certificate of Insurance with the appropriate verbiage as required by this contract will result in rejection of the Certificate and delay contract execution.

Additionally, Certificates of Insurance submitted without referencing a Contract number will be subject to rejection and returned or discarded.

4.1 Insurance Representations and Requirements

4.1.1 General: Consultant agrees to comply with all City ordinances and state and federal laws and regulations.

Without limiting any obligations or liabilities of Consultant, Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of A or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to City of Buckeye. Failure to maintain insurance as specified may result in termination of this Contract at City of Buckeye's option.

4.1.2 No Representation of Coverage Adequacy: By requiring insurance herein, City of Buckeye does not represent that coverage and limits will be adequate to protect Consultant. City of Buckeye reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

4.1.3 Additional Insured: All insurance coverage and self insured retention or deductible portions, except Workers Compensation insurance and Professional Liability insurance if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, City of Buckeye, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this agreement.

4.1.4 Coverage Term: All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of subject contract is satisfactorily performed, completed and formally accepted by the City of Buckeye, unless specified otherwise in this Contract.

4.1.5 Primary Insurance: Consultant's insurance shall be primary insurance as respects performance of subject contract and in the protection of City of Buckeye as an Additional Insured.

4.1.6 Claims Made: In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three (3) years past completion and acceptance of the work or services evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three year period.

4.1.7 Waiver: All policies, except Professional Liability insurance, shall contain a waiver of rights of recovery (subrogation) against City of Buckeye, its agents, representatives, officials, directors, officers, and employees for any claims arising out of the work or services of Consultant. Consultant shall arrange to

have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

4.1.8 Policy Deductibles and or Self Insured Retentions: The policies set forth in these requirements may provide coverage, which contain deductibles or self insured retention amounts. Such deductibles or self insured retention shall not be applicable with respect to the policy limits provided to City of Buckeye. Consultant shall be solely responsible for any such deductible or self insured retention amount. City of Buckeye, at its option and cost, may require Consultant to secure payment of such deductible or self insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

4.1.9 Use of SubConsultants: If any work under this agreement is subcontracted in any way, Consultant shall execute written agreement with SubConsultant containing the same Indemnification Clause and Insurance Requirements set forth herein protecting City of Buckeye and Consultant. Consultant shall be responsible for executing the agreement with SubConsultant and obtaining Certificates of Insurance verifying the insurance requirements.

4.1.10 Evidence of Insurance: Prior to commencing any work or services under this Contract, Consultant shall furnish City of Buckeye with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Consultant's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage(s), conditions, and limits of coverage specified in this Contract and that such coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, City of Buckeye shall reasonably rely upon the Certificate of Insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this agreement. Such certificates shall identify the Contract work number and be sent to the designated City of Buckeye Contract Administrator. If any of the above cited policies expire during the life of this Contract, it shall be Consultant's responsibility to forward renewal Certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates shall specifically cite the following provisions:

1. City of Buckeye, its agents, representatives, officers, directors, officials and employees is an Additional Insured as follows:

   a) Commercial General Liability - Under ISO Form CG 20 10 11 85 or equivalent.
   b) Auto Liability - Under ISO Form CA 20 48 or equivalent.
   c) Excess Liability - Follow Form to underlying insurance.

2. Consultant's insurance shall be primary insurance as respects performance of subject contract.

3. All policies, except Professional Liability, waive rights of recovery (subrogation) against City of Buckeye, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by Consultant under this contract.

4. Certificate shall cite a 30 day advance notice cancellation provision. If ACORD Certificate of Insurance form used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted. .

4.2 Required Coverage

4.2.1 Commercial General Liability: Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than $1,000,000 for each occurrence, $2,000,000 Products and Completed Operations Annual Aggregate, and a $2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent Consultants, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance Services Office, Inc. policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insureds clause. To the fullest extent allowed by law, for claims arising out of the performance of this contract, the City of Buckeye, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under Insurance Service Offices, Inc. Commercial General Liability Additional Insured Endorsement form CG 20 10 11 85, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope then underlying insurance.

4.2.2 Professional Liability: If the Contract is the subject of any professional services or work, or if Consultant engages in any professional services or work adjunct or residual to performing the work under this Contract, Consultant shall maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by Consultant, or anyone employed by Consultant, or anyone for whose acts, mistakes, errors and omissions Consultant is legally liable, with liability insurance limit of $1,000,000 each claim and $2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage shall extend for three (3) years past completion and acceptance of the work or services, and Consultant shall be required to submit Certificates of Insurance evidencing proper coverage is in effect as required above.

4.2.3 Vehicle Liability: Consultant shall maintain Business Automobile Liability insurance with a limit of $1,000,000 each occurrence on Consultant's owned, hired, and non-owned vehicles assigned to or used in the performance of the Consultant's work or services under this Contract. Coverage will be at least as broad as Insurance Services Office, Inc. coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this

contract, the City of Buckeye, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under Insurance Service Offices, Inc. Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope then underlying insurance.

4.2.4 Worker's Compensation Insurance: Consultant shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant's employees engaged in the performance of work or services under this Contract and shall also maintain Employers Liability Insurance of not less than $500,000 for each accident, $500,000 disease for each employee and $1,000,000 disease policy limit.

4.2.5 Umbrella/Excess Liability: Umbrella/Excess Liability insurance with a limit of not less than $2,000,000 per occurrence combined limit Bodily Injury and Property Damage, that "follows form" and applies in excess of the Commercial General Liability, Automobile Liability, and Employer's Liability, as required above.

5.0 SOFTWARE LICENSES

As to all software licenses provided to the City as part of Consultant's obligations under this Contract, the following provisions apply:

5.1 SOURCE CODE AVAILABILITY

5.1.1 Consultant shall furnish City, without charge, a single copy of the Source Code for the Software immediately upon the occurrence of any of the following:

1. Consultant becomes insolvent; or

2. Consultant ceases to conduct business; or

3. Consultant makes a general assignment for the benefit of creditors; or

4. A petition is filed in Bankruptcy by or against Consultant.

5.1.2 Use of the Source Code shall be subject to the same restrictions as to which the Software itself is subject.

5.1.3 City shall have the right to modify Source Code in any manner it deems appropriate, provided that the Source Code as modified shall remain subject to the restrictions set forth in 5.1.2 immediately above.

5.2 PROPRIETARY PROTECTION

5.2.1 City acknowledges that to the extent Consultant advises the City that the Software is confidential information or is a trade secret property of the

Consultant, the Software is thereby disclosed on a confidential basis under this Contract and is to be used only pursuant to the terms and conditions set forth herein.

5.2.2 Consultant shall not use or disclose any knowledge, data or proprietary information relating to City obtained in any manner whatsoever.

5.2.3 To the extent permitted by Arizona Law, the parties agree, both during the term of this Contract and for a period of seven (7) years after termination of this Contract and of all licenses granted hereunder, to hold each others' confidential information in confidence. The parties agree, unless required by government regulations or order of court, not to make each others' confidential information available in any form to any third party or to use each other's confidential information for any purposes other than the implementation of this Contract provided, however, that if Consultant's confidential information is requested to be divulged under the provisions of the Arizona Public Records Act, A.R.S., Title 39, Consultant shall reimburse to City the full cost of City's refusal to release the information, including costs of litigation, City's attorney fees, fines, penalties or assessments of opposing party's attorney fees. Each party agrees to take all reasonable steps to ensure that confidential information is not disclosed or distributed by its employees or agents in violation of the provisions of this Contract.

5.3 NON-INFRINGEMENT

Consultant warrants that the Software provided hereunder does not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary or property right of any person or entity. In the event of a claim against City asserting or involving such an allegation, Consultant will defend, at Consultant's expense, and will indemnify City and hold City harmless against any loss, cost, expense (including attorney fees) or liability arising out of such claim, whether or not such claim is successful. In the event an injunction or order should be obtained against use of the Software by reason of the allegations, or if in Consultant's opinion the Software is likely to become the subject of such a claim of infringement, Consultant will, at its option and its expense: (I) procure for the City the right to continue using the Software; or (ii) replace or modify the same so that it becomes non-infringing (such modification or replacement shall be functionally equivalent to the original); or (iii) if neither (i) nor (ii) is practicable, repurchase the Software on a depreciated basis utilizing a straight line five (5) year period, commencing on the date of acceptance.

5.4 THIRD PARTY LICENSE

Consultant shall sublicense to City any and all third party Software required in the execution of this Contract. City reserves the right to accept or reject third party license terms. If City rejects the terms of a third party license, it shall be Consultant's responsibility to negotiate acceptable terms or to supply Software from another source with terms acceptable to City. City's acceptance of the third party license terms shall not be unreasonably withheld.

6.0 SEVERABILITY AND AUTHORITY

6.1 SEVERABILITY

If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

6.2 AUTHORITY

Each party hereby warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each party has been properly authorized and empowered to enter this Contract. Each party further acknowledges that it has read, understands, and agrees to be bound by the terms and conditions of this Contract.

6.3 E-VERIFY REQUIREMENTS

To the extent applicable under Arizona Revised Statute § 41-4401, the Consultant and its Subconsultants warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under Arizona Revised Statute § 23-214(A). The Consultant or Subconsultant's breach of the above-mentioned warranty shall be deemed a material breach of the Contract and may result in the termination of the Contract by the City of Buckeye. The City of Buckeye retains the legal right to randomly inspect the papers and records of the Consultant or Subconsultant employee who work on the Contract to ensure that the Consultant and its Subconsultants are complying with the above-mentioned warranty.

The Consultant and its Subconsultants warrant to keep the papers and records open for random inspection during normal business hours by the City. The Consultant and its Subconsultants shall cooperate with City's random inspections including granting the City's entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City of Buckeye by its Mayor and City Clerk have hereunto subscribed their names this 4th day of March, 2014.

CITY OF BUCKEYE

Jackie A. Meck, Mayor

ATTEST:

Lucinda Aja, City Clerk

RECOMMENDED:

Christopher A. Williams, Manager
Construction and Contracting

APPROVED AS TO FORM:

Scott Ruby
City Attorney

VERTECH INDUSTRIAL
SYSTEMS, LLC

By: _____

Its: President
(Title)

EXHIBIT A
TO
SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
VERTECH INDUSTRIAL SYSTEMS, INC.

[RFP]

See following pages.

TOWN OF BUCKEYE

Request for Proposal
RFP#2013-035

SUPERVISORY CONTROL & DATA ACQUISITION SYSTEM (SCADA) ON-CALL SUPPORT AND MAINTENANCE SERVICES

CONTACT PERSON
Debby Fasano
Purchasing Agent
623.349.6174
dfasano@buckeyeaz.gov

Release date:	November 4, 2013
Pre-Proposal Conference:	November 12, 2013, 10:00 a.m. local time, Buckeye Arizona
Proposals Due:	November 21, 2013, 3:00 p.m. local time Buckeye, Arizona

PLEASE NOTE: IF RFP DOCUMENTS WERE DOWNLOADED FROM THE TOWN OF BUCKEYE WEB SITE, PROPOSER IS RESPONSIBLE FOR OBTAINING ANY ADDENDA EITHER THROUGH UPDATES ON THE WEB SITE, OR BY CONTACTING THE CONTRACTING AND PURCHASING DIVISION.

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Collusion Affidavit Attachment A –Fee

Proposal

Sample Service Agreement

SECTION I - INTRODUCTION

The Town of Buckeye Arizona (the "Town") is requesting sealed proposals from qualified firms or individuals to provide Supervisory Control and Data Acquisition (SCADA) on-call support and maintenance services for the Town's Water Resources Department.

Proposals are to be addressed and delivered to:

Town of Buckeye
530 East Monroe Avenue
Buckeye, Arizona, 85326
Attn: Debby Fasano

on or before 3:00 P.M., M.S.T., November 21, 2013 at which time a representative of Town will announce publicly the names of those firms or individuals submitting proposals. No other public disclosure will be made until after award of the contract.

End Section

II - PURPOSE OF THE RFP

1. INTENT

The Town anticipates the need for long term support and maintenance for the Supervisory Control and Data Acquisition (SCADA) systems in the Water Resources Department. The intent of the Request for Proposal (RFP) is to establish a term contract with one or more vendors who can provide 24 hour-a-day, 7 day-a-week, on-call support on an as needed basis to ensure the operational functionality of the Town's water system, as more particularly described in the Scope of Work. This will be a general service agreement with each identified project and service initiative requiring its own scope document and approval from the Town once the Contractor is selected.

2. METHOD OF SELECTION

2.1 REQUEST FOR PROPOSALS

The Town will conduct a prequalification screening of all submitted proposals by a designated selection team. The prequalification screening process will identify those firms who, in the Town's sole discretion, best meet the Town's needs. This document details the Criteria used for evaluations of submittals. The Town reserves the right to reject any or all submissions, or to cancel the solicitation at any time. Submittal of a proposal does not constitute a contract with the Town.

2.2 ORAL INTERVIEWS/PROPOSAL PRESENTATIONS

Based upon its review of the proposal submittals, the Town will select, in its sole discretion, a short list of firms who best meet the Town's objectives. Firms on the short list may be invited to participate in the Interview/Presentation phase of the process. Proposers submitting proposals which meet the selection criteria and which are deemed to be the most advantageous to the Town may be requested to give an oral presentation to a selection committee. The Purchasing Agent will perform scheduling of these oral presentations.

2.3 NEGOTIATIONS

After the Interview/Presentations, the Town reserves the right to conduct discussions with Proposers, and to accept revisions of proposals, and to negotiate price changes. During this discussion period, the Town will not disclose any information derived from proposals submitted, or from discussions with other Proposers. The Town reserves the right to reject any or all proposals at any time, for any reason.

2.4 AWARD

A contract is formed only upon the approval and written execution of the contract by the town and consultant(s) after negotiation process is complete. The award shall be made to the responsible Proposer whose proposal is determined to be the most advantageous to the Town based on the evaluation factors and selection methods set forth in this Request for Proposal. Price, although a consideration, will not be the sole

determining factor.

Unless the Proposal states otherwise, or unless provided within this RFP, the Town reserves the right to contract with multiple vendors, and may award by individual line item, by group of line items, or as a total, whichever is deemed most advantageous to the Town. Notwithstanding any other provision of this RFP or the Agreement, the Town expressly reserves the right to: (I) waive any immaterial defect or informality, (ii) reject any or all Proposals, or portions thereof, or (iii) reissue a RFP.

3. COOPERATIVE PURCHASING

This Contract shall be for the use of the Town of Buckeye. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate, at their discretion and with the agreement of the awarded contractor. In order to participate in this Contract, a political subdivision or nonprofit educational or public health institution must agree to the terms and conditions in the solicitation and the Contractor must be in agreement with the cooperative transaction. Any orders placed to the successful Contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this Contract will be the sole responsibility of each participating agency. The Town shall not be responsible for any disputes arising out of transactions made by others.

End Section

SECTION III - INSTRUCTIONS TO PROPOSERS

1. You must address and deliver your proposal to the Town of Buckeye, 530 East Monroe Avenue, Buckeye, Arizona 85326, and Attn: Debby Fasano on or before the time and date set for closing.

Proposals should be in a sealed envelope marked:

Name of Proposer:
Title of Proposal: SCADA On-Call Support and Maintenance Services
RFP Number: 2013-035

Date and Time Proposal is due: **November 21, 2013, 3:00 P.M., M.S.T.**

The Town of Buckeye is not responsible for the pre-opening, post opening, or failure to open any Proposal not clearly identified.

No telephone, electronic or facsimile proposals will be considered. Proposals received after the time and date for closing will be returned to the Proposer unopened.

2. Proposals shall be submitted as a document set, containing **one clearly marked original** and **Six (6)** additional copies. **(For a total of Seven (7) submitted).** In addition, interested parties must submit **one (1) original copy** of the Proposal on a CD-ROM (or electronic media approved by the Town) in printable Adobe or Microsoft Word format (or other format approved by the Town). Failure to adhere to the submittal quantity criteria may result in the Proposal being considered non-responsive.

3. Proposers may withdraw a proposal at any time prior to the time and date set for closing. Proposals withdrawn after opening, but prior to award may be withdrawn only in accordance with the Town of Buckeye Procurement Code.

4. No department or office at the Town has the authority to solicit or receive official proposals other than Contracting & Purchasing Division. All solicitation is performed under the direct supervision of the Contracting Manger, Contracting and Purchasing Division, Town of Buckeye and in complete accordance with Town of Buckeye Procurement Code.

5. If you are submitting any information you consider to be proprietary, you must place it in a separate envelope and mark it "Proprietary Information". If the Procurement Manager concurs, this information will not be considered public information. The Town Manager is the final authority as to the extent of material, which is considered proprietary or confidential. Pricing information cannot be considered proprietary.

6. Your proposal should be submitted in the format shown in **Section VII.** Proposals in any other format will be considered informal and may be rejected.

Conditional proposals will not be considered. An individual authorized to extend a formal proposal must sign all proposals. Proposals that are not signed may be rejected.

7. The Town reserves the right to reject any or all proposals or any part thereof, or to accept any proposal, or any part thereof, or to withhold the award and to waive or decline to waive irregularities in any proposal when it determines that it is in its best interest to do so. The Town also reserves the right to hold all proposals for a period of 60 days after the opening date.

8. The successful Proposer is expected to enter into the standard form of agreement for consultant services. A sample copy of this standard agreement is attached to this document. These terms and conditions are intended to be incorporated into the agreement between the Town and the successful Proposer. **Proposals that are contingent upon any changes to these mandatory contract terms and conditions may be deemed nonresponsive and may be rejected**. Special terms and conditions address subjects that are important to the Town. Proposers may suggest alternatives to these special terms and conditions. **However, proposals that are contingent upon any changes to these special terms and conditions will be at a competitive disadvantage in the proposal evaluation process.**

9. May: Indicates something that is not mandatory but permissible/desirable.
Shall, Must, Will: Indicates mandatory requirement. Failure to meet these mandatory requirements will result in rejection of your proposal as nonresponsive.
Should: Indicates something that is recommended but not mandatory. If the Proposer fails to provide recommended information, the Town may, at its sole option, ask the Proposer to provide the information or evaluate the proposal without the information.

10. Any person, firm, corporation or association submitting a proposal shall be deemed to have read and understood all the terms, conditions and requirements in the specifications/scope of work.

11. All responses and accompanying documentation will become the property of the Town at the time the proposals are opened.

12. All formal inquiries or requests for significant or material clarification or interpretation, or notification to the Town of errors or omissions relating to this Request for Proposal must be directed, in writing, or by email, to:

Debby Fasano
Purchasing Agent
Town of Buckeye
530 East Monroe Avenue
Buckeye, Arizona 85326
dfasano@buckeyeaz.gov

Telephone: 623-349-6174

13. All formal inquiries must be submitted at least seven (7) calendar days before the time and date set for closing this Request for Proposal. Failure to submit inquiries by this deadline may result in the inquiry not being answered. Note that the Town may answer informal questions orally. The Town makes no warranty of any kind as to the correctness of any oral answers and uses this process solely to provide minor clarifications rapidly. Oral statements or instructions shall not constitute an amendment to this Request for Proposal. Proposers shall not rely on any verbal responses from the Town. If you have formal questions about any part of this Request for Proposal, which could result in a material issue or a formal amendment to this Request for Proposal, submit your questions in writing to the Purchasing Agent listed above.

14. All firms interested in this Project (including the firm's employees, representatives, agents, lobbyists, attorneys, and subconsultants) will refrain under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the evaluation panel, elected officials, the Town Manager, Department Heads, and other staff. All contact during this selection process must be addressed to the Town's Purchasing Agent.

15. The Town shall not reimburse any Proposer the cost of responding to a Request for Proposal.

16. The Town believes that it can best maintain its reputation for treating service providers and suppliers in a fair, honest, and consistent manner by conducting solicitations in good faith and by granting competitors an equal opportunity to win an award. If you feel that we have fallen short of these goals, you may submit a protest pursuant to the Town of Buckeye Procurement Code.

End Section

SECTION IV – SPECIAL TERMS AND CONDITIONS

1. TERM OF CONTRACT:

The term of this Contract shall commence on the date it is fully executed by the Town, unless a different effective date is set forth herein and shall continue until the services are complete, not to exceed the period of one (1) year.

2. OPTION TO EXTEND:

At the discretion of the Town, and with the agreement of Contractor, this contract may be extended for a maximum of four (4), one (1) year periods, with no material changes to the terms and conditions unless agreed upon by mutual agreement of the Consultant and the Town of Buckeye.

3. ESCALATION:

Any request for reasonable price adjustments must be submitted thirty (30) days prior to the Contract expiration. Justification for the requested adjustment in cost of services must be supported by appropriate documentation and fall within the Consumer Price Index. Increases are subject to approval in writing by the Contracting & Purchasing Manager prior to any adjusted invoicing being submitted for payment.

4. COMPENSATION:

For the full and faithful performance of the services to be performed by the Contractor pursuant to this agreement, Contractor shall be compensated in accordance with the schedule of rates and charges attached to the Agreement as Exhibit D or as amended during the term of this Agreement. Payment shall be made to Contractor by the Town monthly for services rendered in the prior month, and all charges and penalties assessed for said prior month, pursuant to the provisions of the Agreement, shall be deducted from such monthly payment.

End Section

SECTION V - SCOPE OF WORK

1. **All Inclusive** – The following requirements apply to all categories:

   a. Contractors shall provide preventative/corrective maintenance and support on an on-call, as needed basis.

   b. Contractors shall provide all labor, parts and materials that the Contractor deems necessary to repair an existing problem, upon approval of the Town. All parts furnished shall be new and unused. All parts removed for replacement become the property of the Town.

   c. All parts and components supplied under this Contract shall be invoiced at cost and installed at Contractors proposed service rates.

   d. Ownership of supplies, parts and repair components shall be transferred to the Town upon installation and the Town's approval of the installation.

   e. Contractors shall provide at a minimum one (1) Wonderware Developer Program certified technician to perform all maintenance and support services.

2. **Equipment** – Maintenance and support shall include, but not be limited to, the following PLC and radio equipment;

   - **Sundance Service Area:**
     PLC: Allen-Bradley Panel View 600, Panel View Plus 600
     Logic: Allen-Bradley Micro Logix 1500, Compact Logix LE35, Logix 5561
     Radio/Dialer: Data Link Group Model: SRM 6000
     Ethernet Switch: Phoenix Contacts Model: SF8TX
     Uninterruptible Power Supply (UPS): Toshiba Model: 1000
     Network Hubs: Linksys 5 Port
     Transceiver: Omnex RS232

   - **Tartesso Service Area:**
     PLC: Allen-Bradley Panel View Plus 600, Panel View Plus 1500
     Logic: Allen- Bradley Logix 5561
     Radio/Dialer: Data Link Group Model: SRM 6000
     TVSS: Northern Technologies
     Ethernet Switch: N-Trox 508TX, Pro Soft
     Power Supply: Allen-Bradley 1756-PA75RA Redundant Power Supply
     24 Volt Power: Omron S82K-24024T Power Pack
     Uninterruptible Power Supply (UPS): Toshiba Model: 1000

   - **Sun City Festival Ranch Service Area:**
     PLC: Allen-Bradley Panel View Plus 600
     Logic: Allen- Bradley Logix 5555

Radio/Dialer: Data Link Group Model: SRM 6000
TVSS: Northern Technologies
Ethernet Switch: Net Gear Auto 10/100, Cisco System Catalyst 2940
Power Supply: Allen-Bradley 1756-PA75RA Redundant Power Supply
24 Volt Power: Omron S82K-24024T Power Pack
Uninterruptible Power Supply (UPS): Toshiba Model: 1000
Line Monitors: RS232
Controller: C505 Allen-Bradley

- **Old Town/Historic Buckeye Service Area:**
  PLC: Allen-Bradley Panel View Plus 1000
  Logic: Allen- Bradley Logix 5561
  Radio/Dialer:
  Ethernet Switch: Weidmuller: Model: IE-SW8-ECO
  Uninterruptible Power Supply (UPS): Toshiba Model: 1000

- **North Airport Road Equipment**
  MDS-INET-II 900
  Ethernet Switch: Weidmuller: Model: IE-SW8-ECO

- **Rainbow Road Pump Facility**
  Currently not in use but may be at a future date

- **Waste Water Plant Equipment**
  Allen Bradley Contrologix 5563
  Allen Bradley SLC500
  Allen Bradley Panel View 600/1000
  Allen Bradley Micrologix
  Ethernet Switches (Various Makes and Models)
  Fiber Optic (Hardwired from MCCB to MCCA)
  Radio read for new admin to Earl Edgar Park, monitoring a flow meter.
  SCADA Wonderware Software
  Program (Ladder Logic)

- **Software for all sites:**
  Wonderware
  Long Watch Security

3. Maintenance and Support

   - Maintenance and Support shall include, but is not limited to the following HMI Equipment Types:

     1. Panel mounted Operator Interface Terminals (Allen Bradley)
     2. Panel mounted HMI touch screen computers
     3. PC based workstations
     4. PC based servers

- Maintenance and Support shall include, but is not limited to, the following PLC and HMI software:

    1. Wonderware
    2. RS Logix
    3. Win911
    4. Longwatch

- Maintenance and Support shall include, but is not limited to, the following PLC and HMI Programming Tasks:

    1. Software development
    2. Database management
    3. HMI screen management
    4. Set-up of trends and reports
    5. System backups
    6. System documentation
    7. Software Updates

4. Tasks by Category

- **Category One** – Preventative/Corrective maintenance and support of programmable logic controller (PLC) and Human-Machine Interface (HMI) hardware and programming. Tasks and services shall include, but not limited to, the following:

    1. PLC and HMI software troubleshooting, testing, debugging and updating

    2. PLC and HMI hardware troubleshooting, testing, debugging and updating

    3. PLC and HMI hardware set-up, repair, replacement and upgrades.

    4. System diagnosis

    5. PLC and HMI programming

    6. Documentation

    7. Training

    8. Provided semi-annual maintenance for all Well and booster station software (Wonderware). This includes 5 Water booster stations, 15 Wells within the service areas as well as the related Wastewater Treatment Facilities and lift stations.

9. Provided recommendations and review of control logic for new start up and existing operational equipment for functionality/reliability.

- **Category Two** – Preventative/Corrective maintenance and support of radio data communication. Tasks and services shall include, but no limited to, the following:

    1. Troubleshooting, testing and debugging
    2. System diagnosis
    3. Corrective and preventative maintenance inspection; frequency and deviation
    4. Fault diagnostics
    5. Signal strength measurement and analysis
    6. Radio path analysis, recommendations, and remedial actions
    7. Documentation
    8. Training

- **Category Three** - Preventative/Corrective maintenance and support of security hardware, security interface with SCADA, and PLC and HMI hardware and programming. Tasks and services shall include, but not be limited to, the following:

    a. Troubleshooting, testing and debugging
    b. System diagnostics
    c. Security, PLC and HMI hardware set-up, repair, replacement and upgrades
    d. Interfacing of security hardware and software with PLCs and HMI
    e. PLC and HMI programming
    f. Documentation
    g. Training

5. Locations

Wastewater Treatment Plant		
Facility Name	**Address**	**Service Area**
Buckeye Central WWTP	915 S. 7th Street	Old Town
Sundance WRF	21760 W. Watkins Street	Sundance
Festival Ranch WRF	18940 N. 287th Lane	Festival Ranch
Tartesso WRF	31550 W. McDowell Road	Tartesso
Production Wells		
Well Name	**Address**	**Service Area**
Church Well	1006 Eason Avenue	NA
Well # 9	615 Arizona Eastern Avenue	NA
Well # 10	615 Arizona Eastern Avenue	NA
Well # 11	609 N. 4th Street	NA
Well #12	31877 W. Yuma Road	Old Town
Well # 13	Future Well	Old Town
Well # 14	1945 Power Butte Road	Old Town
Well Name	**Address**	**Services Area**
Airport Well	3000 S. Palo Verde	NA
Well Name	**Address**	**Service Area**
Festival Ranch Well # 1	26902 W. Potter	SC Festival Ranch
Festival Ranch Well # 2	20853 N. Desert Vista Blvd.	SC Festival Ranch
Festival Ranch Well # 3	Future Well	NA
Well Name	**Address**	**Service Area**
Sundance Well # 1	2391 S. Dean	Sundance
Sundance Well # 2	1939 S. Dean	Sundance
Sundance Well # 3	22290 W. Durango	Sundance
Sundance Well # 4	21519 W. Yuma Road	Sundance
Sundance Well # 5	Future Well	NA
Sundance Well # 6	Future Well	NA
Sundance Well # 7	1380 S. 220th Lane	Sundance
Sundance Well # 8	1773 S. 215th Drive	Sundance
Sundance Well # 9	22073 W. Tonto Street	Sundance
North Airport Road Well # 1	Airport Road & I10	Sundance
North Airport Road Well # 2	Airport Road & I10	Sundance
Well Name	**Address**	**Service Area**
Tartesso Well # 1	4023 296th Avenue	Tartesso
Tartesso Well # 2	3019 N. Celeborn Drive	Tartesso
Tartesso Well # 3	3004 N. Celeborn Drive	NA
Tartesso WRF	31950 W. McDowell Road	Tartesso
Well Name	**Address**	**Service Area**

Norte Vista Well	Jackrabbit Trail and MC-85	NA
Well Name	**Address**	**Service Area**
Farallon Well # 1	Rooks Road and Southern	NA
Farallon Well # 2	6330 S 262nd Lane	Old Town

Booster Pumping Stations		
Station Name	**Address**	**Service Area**
Town of Buckeye	615 Arizona Eastern Avenue	Old Town
Sundance Booster Pump Station #1	22900 W. Yuma Road	Sundance
Festival Ranch Booster Pump Station #1	20853 N. Desert Vista Blvd.	SC Festival Ranch
Tartesso Booster Pump Station # 1	4023 N. 296th Avenue	Tartesso
Airport Well	3000 S. Palo Verde	NA
North Airport Booster Station	21209 W Palm Valley Way	Sundance

Future SCADA Locations within Town Service areas not listed above shall be eligible to participate in this agreement.

6. Response Times

a. Immediate Response – The Town may, during the course of this contract, require almost immediate response, due to the sometimes critical nature of the work required. The successful contractor shall be on twenty-four (24) hour call, as required, for any emergency situations that arise. **Contractor shall have provided with their response the 24-hour telephone number for emergency calls.**

b. Critical Failure – Response time requirement of three (3) hours. This includes problems that

   a. Prevent processes or equipment from operating,
   b. Create unsafe conditions
   c. Require personnel to work overtime.

c. Degradation of Service – Response time requirement of twenty-four (24) hours. This includes problems that can be overcome by running processes/equipment in local mode or switching to a back-up system.

7. Access to Equipment

The Town shall provide full and free access to the equipment covered herein and use of any machines, attachments, features or other equipment necessary to provide the specified maintenance or support services.

8. Warranty

All equipment supplies under this specification shall be fully guaranteed by the contractor for a minimum period of twelve (12) months from the date of acceptance by the Town. Any defects of design, workmanship, or materials that would result in non-compliance with the contract specification shall be fully corrected by the Contractor (including parts and labor) without cost to the Town.

9. Work hours

Under normal conditions, work shall be performed by the Contractor between the hours of 7:00 a.m. and 5:00 p.m. Monday through Friday, except legal holidays. Should service be required at other times, such services shall be furnished at the service rates provided in the fee schedule.

10. Modification of Equipment

The Town reserves the right to add or delete equipment as needed. The Town also reserves the right to relocate existing equipment if necessary.

End Section

SECTION VI - PRE-PROPOSAL CONFERENCE

A non-mandatory pre-proposal conference will be held on November 12 at 10:00 a.m., M.S.T. at Buckeye Town Hall, 1st Floor Executive Conference Room, 530 East Monroe Avenue, Buckeye, Arizona. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the Town's intention and desires, and/or to give prospective consultants an opportunity to review the area. Any doubt as to the requirements of this Request for Proposal, or any apparent omission or discrepancy should be presented to the Town's representative at this conference. The Town's representative will then determine the appropriate action. If necessary, the Town's representative will issue a written amendment to the Request for Proposal. Oral statements or instructions shall not constitute an amendment to this Request for Proposal. You do not have to send a representative to this pre-proposal conference. However, if you decide to not send a representative, then we may not know of your intent to participate in this solicitation, and so may not send you any written amendments to this Request for Proposal. Further, we will assume that your failure to attend the pre-proposal conference is an indication that you expect us to review your proposal as if you had taken advantage of the pre-proposal conference.

End Section

SECTION VII – PROPOSAL CONTENTS

A. FORM OF PROPOSAL

To facilitate direct comparisons, proposal shall be submitted in the following format, listed in order, and index tabbed to match. Proposal shall include, at a minimum, information requested below. If Proposer fails to provide any of the requested information, with the exception of the mandatory proposal certification, the Town may, at its sole option, ask the Proposer to provide the missing information or evaluate the proposal without the missing information.

B. SUBMITTAL AND REVIEW

1. Minimum qualifications

In order to be considered for evaluation, Proposer shall provide information to verify the following minimum qualifications:

a. Proposal submitted on or before the above closing date.

b. Proposal is in the format requested below.

c. Proposer is licensed to do business in the State of Arizona. Provide licensure information with your proposal.

d. Proposer has been in business for a minimum of five (5) years concurrently.

e. Proposer has provided similar services to an organization of the same size or larger than the Town of Buckeye with in the last three (3) years.

f. Proposer must be a Wonderware Certified System Integrators.

2. Additional Qualifications

a. All personnel utilized by the Contractor in the maintenance and support work should have proper certification or training. Failure to provide copies of certifications or training will be considered non-responsive. This requirement may be met by submission of a short resume outlining the experience and training.

b. The Contractor must have an established business in the Phoenix Metropolitan Area to allow efficient service to this contract.

3. The Proposal shall be submitted with a cover letter signed by a person authorized to bind the Proposer. Proposals submitted without a cover letter **signed** by a person authorized to bind the Proposer shall be considered non-responsive. The Proposal shall be a maximum of **fifteen (15)** pages to address the Proposal criteria (excluding resumes, Proposal Certification, Offer, Non-Collusion Affidavit, but including the

materials necessary to address Project understanding, general information, organizational chart, photos, tables, graphs, and diagrams). Each page side (maximum 8 1/2" x 11") with criteria information shall be counted. However, one page may be substituted with an 11" x 17" sheet of paper, folded to 8 1/2" x 11", showing a proposed information or organizational chart and only having information on one side. Cover, back, table of contents and tabs may be used and shall not be included in the page count, unless they include additional project-specific information or Proposal criteria responses. Failure to adhere to the page limit and size criteria may result in the Proposal being considered non-responsive. Proposals will have a minimum font size of **11 pt, Arial or Times New Roman**.

4. The Arizona Public Records Law limits the Town's ability to withhold prequalification and bid data. If a submittal contains any trade secrets that a submitter does not want disclosed to the public or used by the Town for any purpose other than evaluation of the submitter's eligibility, each sheet of such information must be marked with the designation "Confidential." The Town agrees that if a "Public Records" request is made for disclosure of data so classified, it will notify the submitter of such data so that the submitter will have an opportunity to legally challenge the Town's obligation to disclose such information.

C. REQUEST FOR PROPOSAL CONTENTS

The Proposal shall contain, at a minimum, the following information in the following order:

Section 1: General Information **5 points**

a. Explain the legal organization of the Proposer. Provide identification information of the Proposer. Include the legal name, address, identification number and legal form of the Proposer (e.g., partnership, corporation, joint venture, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all of the information required under this Section for each member. If the Proposer is a wholly owned subsidiary of another company, identify the parent company. Provide the name, address and telephone number of the person to contact concerning the Proposal.

b. Identify the location of the Proposer's principal office and the local work office, if different.

c. Provide a general description of the organization that is proposing to provide the Services, including number of years in business.

d. Identify any contract or subcontract held by the Proposer or officers of the Proposer that have been terminated within the last five years. Briefly describe the circumstances and the outcome.

e. Identify any claims against Proposer arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

Section 2: Experience and Qualifications of the Vendor 30 points

a. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town specifically explaining experience that demonstrates the firm's capability to successfully furnish the services and perform the requirements necessary to provide administration of the Program.

b. Provide a list of at least three (3) organizations of a similar size or similar operation to the Town for which SCADA maintenance and support services has been performed within the last three years. This list shall include, at a minimum, the following

(i) Name of company or organization.
(ii) Contact name.
(iii) Contract address, telephone number and e-mail address.
(iv) Type of services provided.

The above information must be current, as this will be used to verify references. Inability of the Town to verify references shall result in the Proposal being considered non-responsive.

Section 3: Key Positions 30 points

a. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed Project Manager.

b. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town. Identify key staff responsible for day-to-day operations regarding the Agreement, oversight and management personnel, and the location of the facility from which the Vendor would operate.

c. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

d. Attach a brief résumé and evidence of proper certification and training, for each key personnel member and/or subcontractor to be involved in this project. Résumés should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit.

Section 4: Warranty 25 points

a. Describe the warranty offered by your firm for the work completed for the Town of Buckeye

b. Describe your firm's approach to providing SCADA Support Services. Include your approach to providing the services listed in the Scope of Work above and your approach in meeting the needs of the Town.

c. Demonstrated quality assurance procedures and schedule to ensure a timely, effective and professional provision of services.

d. Proposer shall provide a summary of the project and its understanding of the needs of the Town of Buckeye and its population.

Section 5: Pricing **10 points**

Fee Proposal (Attachment A) shall submit with the same number of copies as described in Section IV, 4. In a separate, sealed envelope enclosed with the Proposer's Proposal with the signature of the representative of the Proposer who is authorized to make such an offer.

Total Possible Points: **100 points**

D. ORAL INTERVIEWS; SCORING

In the event that a Proposer cannot be selected based solely on the Proposals submitted, up to three Proposers may be selected for oral interviews. The selected Proposers will be invited to participate in discussions with the Selection Committee and awarded points based upon the criteria as outlined below. Vendors may be given additional information for these oral interviews. These discussions will relate less to the past experience and qualifications already detailed in the Proposals and relate more to identification of the Proposer's program approach and to an appraisal of the people who would be directly involved in this Services for this RFP.

Oral Interview

10	General Information
25	Experience and Qualifications of the Vendor
20	Key Positions
45	Proposed Services Provided
100	**Total Possible Points for Oral Interview**

End Section

SECTION VIII – PROPOSAL CERTIFICATION

Town of Buckeye
Contracts & Purchasing Division
530 East Monroe Avenue
Buckeye, AZ 85326

The undersigned certifies that to the best of his/her knowledge: (**check only one**)

( ) There is no officer or employee of Town of Buckeye who has, or whose relative has, a substantial interest in any contract resulting from this request.

( ) The names of any and all public officers or employees of Town of Buckeye who have, or whose relative has, a substantial interest in any contract resulting from this request, and the nature of the substantial interest, are included below or as an attachment to this certification.

ADDENDA: Receipt of the following Addenda is acknowledged, and the provisions are included in this RFP:

Addendum No._____Dated_____
Addendum No._____ Dated_____

Proposer represents that (s)he operates as (check appropriate box):

☐ an individual
☐ an individual doing business as _____
☐ a partnership consisting of (include full names of all partners)_____
_____
☐ a corporation incorporated in the State of _____
☐ other (detail) _____
_____

_____ _____
(signature required) (date) **(print name)**

_____ _____
(print title) **(Federal Taxpayer ID Number)**

Firm Name: _____

Address: _____

City:_____, State: ____, Zip Code:_____

End Section

SECTION IX - OFFER AND ACCEPTANCE

To the Town of Buckeye,
Arizona:

The undersigned hereby offers and agrees to furnish the materials in compliance with all terms, conditions, specifications and amendments in the Solicitation. Signature also certifies understanding and compliance with the Town Of Buckeye's Standard Terms and Conditions.

COMPANY NAME: _____ ADDRESS:

TOWN/STATE/ZIP: _____ PHONE:

CONTACT PERSON: _____

AUTHORIZED COMPANY SIGNATURE: _____

THIS FORM MUST BE SIGNED AND RETURNED WITH PROPOSAL

ACCEPTANCE OF OFFER

(For Town use only)

The Contractor is now bound to provide the services as specified herein in accordance with all terms, conditions, specifications amendments, etc. and the Contractor's Offer as accepted by the _____.

The contract is
for: _____

_____

_____

The Contractor is cautioned not to provide any materials under this contract until the
Contractor receives an executed purchase order.

Awarded this _____day of _____, 2013.

_____
Purchasing Agent

End Section

SECTION X

NON-COLLUSION AFFIDAVIT

State of)
) ss. County of)

_____
affiant, (Name)

the _____ (Title)

_____
(Contractor/Bidder)

the persons, corporation, or company who makes the accompanying Proposal, having first been duly worn, deposes and says:

That such Proposal is genuine and not sham or collusive, nor made in the interest of, or behalf of, any persons not herein named, and that the Bidder has not directly or indirectly induced or solicited any other Bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the Bidder has not in any manner sought by collusion to secure for itself an advantage over any other Bidder.

_____

_____
(Title)

Subscribed and sworn to before me
this _____day of _____, 2013

Signature of Notary
_____
Public in and for the
County of _____

State of _____

My Commission Expires:

_____

ATTACHMENT A –FEE PROPOSAL

Company Name _____

Pricing shall be provided for the following tasks:

DESCRIPTION	COST
Labor Per Hour 7:00 a.m. to 5:00 p.m. Monday thru Friday	$_____
Labor Per Hour Evenings, Night And Weekends	$_____
Labor Per Hour Holidays	$_____
Mileage Costs:	$_____
Travel Time Cost:	$_____
Percentage of Discount From Published List Price for Parts:	_____ %
Minimum Cost for Service Call, if any:	$_____
Cost for Telephone Support, if any:	$_____
Any Other Fees/Costs: **Describe, if any:**_____ _____	$_____

Company Name:_____

Authorized Representative: _____

Signed: _____

Title: _____

EXHIBIT B
TO
SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
VERTECH INDUSTRIAL SYSTEM, LLC

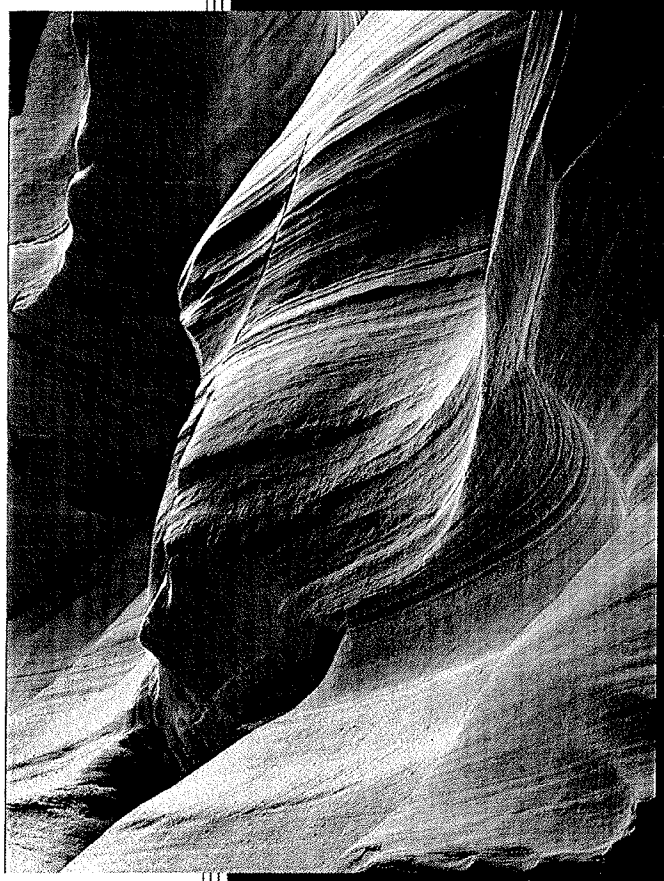
[Consultants Proposal]

See following pages.

Vertech

2013

Town of Buckeye- Supervisory Control & Data Acquisition System (SCADA) ON-Call Support and Maintenance Services, RFP#2013-035



Bob Simpson

Vertech Industrial Systems

11/21/2013

Vertech

Ms. Deborah Fasano
TOWN OF BUCKEYE
530 East Monroe
Buckeye, Arizona 85326

RE: **SCADA ON-CALL SUPPORT AND MAINTENANCE SERVICES**

Dear Ms. Fasano,

This proposal pertains to the **Requests for Proposals for SCADA ON-CALL SUPPORT AND MAINTENANCE SERVICES, RFP#2013-035.** We are interested and qualified in providing SCADA On-Call Support and Maintenance Services to the Town of Buckeye.

On following pages, I will provide more detail on our unique qualifications:

- ⇨ A comprehensive software and project approach with a proven record of success
- ⇨ A strong record of client satisfaction and superior service
- ⇨ Our SCADA software experience and certifications
- ⇨ In depth knowledge of PLC programming software
- ⇨ A reliable system in place for emergency coverage: 24 hours a day, 7 days a week, 365 days of the year

Thank you for this opportunity. I look forward to meeting with you discuss why Vertech is your best choice for SCADA Support.

Sincerely,

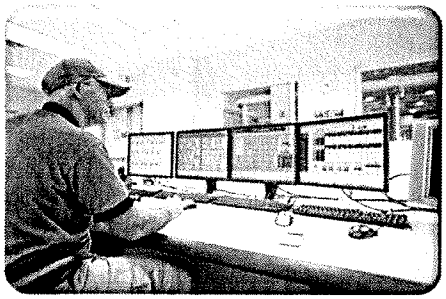
Bob Morris
Vice President

4409 E. Baseline Road, Ste. 127
Phoenix, AZ 85042
Phone 480-756-2300 Fax 877-387-0277
www.vertech.com

Appendix Index

- Appendix A
  - Fee Proposal
  - Pricing Breakdown by Vertech Employee, per instance
- Appendix B
  - Technical Resumes
- Appendix C
  - Certifications
  - Wonderware breakdown provided by Invensys parent company of Wonderware SCADA softwar
- Appendix D
  - State of Arizona, Register of Contractors
  - Town of Buckeye Business Licesne

SECTION 1: GENERAL INFORMATION



Vertech is an Industrial Control Systems Integration Firm providing complete control system solutions for water/wastewater, airport baggage handling, and mining industries. Our team is highly skilled and specializes in these business segments enabling us to provide a more efficient and comprehensive control system strategy. This specialization has made us an industry leader with a proven track record of outstanding customer satisfaction.

A. Legal Organization of Vertech:

Vertech Industrial Systems is a Limited Liability Corporation, LLC. The owners are Titus Crabb and Robert Morris – each owning 50% of the company. Titus Crabb is the President and Robert Morris is the Vice President.

Arizona Board of Technical Registration #: 15925-0
UL508a Certification #: E311222
L-11 AZ ROC#: 275795
CSIA Certified: 9/6/2011
Wonderware Certified Integrator Since: 2009

CSIA certification requires an independent, third-party audit of members on 76 criteria covering all aspects of business performance, including general management, financial management, project management, quality management, supporting systems, human resources and more. At Vertech, we've put the standards and procedures in place to give you quality, performance, and long-term support for your automation systems.

B. Location of Vertech's principal office:

Vertech's Phoenix office is the single location where all work is performed and panels are manufactured.

Vertech Industrial Systems, LLC
4409 East Baseline Road, Suite 127
Phoenix, AZ 85042
480-756-2300 | FAX 877-387-0277

Any questions regarding this proposal can be directed to:

Robert Simpson
Business Development Manager
bsimpson@vertech.com
480-231-9062

C. General Description

Vertech is based in Phoenix and has been in Arizona for over seven years. Vertech's staff of 41 employees provides comprehensive **engineering** services that include electrical, instrumentation and control design, start up and commissioning services, project specifications, radio surveys, and control panel design. Our **programming** services provided include SCADA, PLC, .NET and SQL programming. Our **technical services** include UL508a panel building, instrument calibration and system troubleshooting and service. As you will see, we've assembled a talented staff of engineers - positioning us as one of the largest and most accomplished integration firms based in Phoenix.

We provide comprehensive technical solutions regarding all aspects of automation. We are dedicated to designing and programming to current industry standards and provide fully accessible programs. As you will see on the following pages, Vertech has a strong focus in the Water and Wastewater industry. ***Our ultimate goal is client satisfaction!***

D. Contract Terminations: 0

E. Claims against Vertech: 0

SECTION 2: EXPERIENCE

a. Vertech is experienced in providing 24-hour SCADA support and has been doing so since opening in 2004. **In business a total of 9 years concurrent.** The proposed key staff and backup engineers are fully capable and qualified to provide services to get your system up and running after power outages, lightning strikes, server and equipment failures, safety

issues, and other catastrophic events. It is our goal to get you up and running at full capacity as soon as possible to prevent further problems that can arise from down equipment in a Water or Wastewater Plant. Vertech's fast response and experienced personnel are the winning combination to achieve this goal.

Vertech is well-equipped to provide emergency support of the Town of Buckeye's SCADA and Control Systems, 24 hours a day, 7 days a week, 365 days of the year. Upon receipt of this contract, the Town of Buckeye will be given access to our 800 number utilized for emergency support. You can expect a phone call within one hour and a four hour on-site response, if necessary. In addition to the 800 number, you will be given 2-3 backup cell phone numbers for each of the key personnel for the project.

ORGANIZATIONS WITH SIMILAR CONTRACTS

While Vertech is largely a project-oriented company, approximately 25% of our revenue is comprised of support services. The following references are a representation of existing clients with service contracts in place.

1. ***City of Avondale***
   399 E Lower Buckeye Rd
   Avondale, AZ 85323
   Lisa Johnson, 623-333-5016
   ljohnson@avondale.org

Service Provided: 24-Hour support Wonderware InTouch, Modicon PLC's, and MDS 9810 Serial Radios. In 2011, Vertech was the sole firm awarded with SCADA support services for both the Water and Wastewater utilities. The contract is renewable for four additional years.

2. ***MicroChip***
   Chandler Facility:
   2355 West Chandler Boulevard
   Chandler, AZ 85224-6199
   Mike McQuilkin, 480-792-7482
   mike.mcquilkin@microchip.com

Service Provided: Support of SCADA GE iFix and Allen Bradley PLC's – support and upgrades of facilities water and wastewater treatment systems.

3. ***Town of Queen Creek***
22350 South Ellsworth Road
Queen Creek, AZ 85142
Greg Homol, 480-358-3001
Greg.homol@queencreek.org
Uses the City of Avondale Contract to purchase

Service Provided: Support of Wonderware System Platform which is migration away from Rockwell's RSview. They use Allen Bradley PLC's – support and upgrades of facilities water and wastewater treatment systems

4. ***City of Peoria***
9875 North 85th Avenue
Peoria, AZ 85345
Phil Glass, 602-881-6041
Philip.glass@peoriaaz.gov

Service Provided: Support of Wonderware System Platform and Allen Bradley PLC's – support and upgrades of facilities water and wastewater treatment systems.

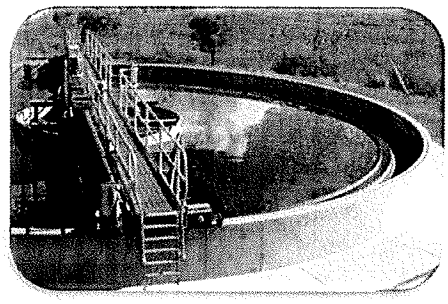
5. ***TOWN OF PRESCOTT VALLEY***
8434 Long Mesa Drive
Prescott Valley, Arizona 86314
Jeremiah Mecham, (928) 775-3377
Jeremiah.Mecham@ch2m.com

Service Provided: Support of Wonderware InTouch and Allen Bradley Compact Logix and 5/03, Modicon Momentum, and Koyo PLC's, MDS and Phoenix Contract Radios – support of water and wastewater treatment systems.

In addition to the clients listed above, Vertech provides emergency support services to the following:
- ✓ City of Phoenix, Sky Harbor Airport for Baggage Handling*
- ✓ Hexcel Corporation, Casa Grande, Arizona*

PROJECT EXPERIENCE

Approach to Projects



Good communication with the client has always been the key to our success. It is our belief that the system should begin with a significant amount of up-front system level design and documentation prior to performing any actual programming.

Through a systematic process of design and review, both internally and involving the client through informal discussions, the design will progress from a comprehensive big picture to a complete, detailed, and functional system. Our approach assures that the design will be comprehensive and well documented with the added benefit of minimal rework.

This up-front effort pays off with reduced time required during the coding of the specific functions for each of the components of the system. The result of this approach will be a well thought-out, highly functional, and user-friendly control system.

The following projects are examples representing Vertech's experience in programming of Wonderware InTouch and System Platform, as well as Allen Bradley PLCs:

AVONDALE SERVICE CONTRACT JOBS

Dates: November 2012 to Present
Contract Amount: $50,000.00
Owner / Client: City of Avondale

Projects done under Service Contract:

) Gateway CL2/Nitrate analyzer addition & SCADA integration (May 2013)
2) Master PLC Migration project Phase 1. Existing Master PLC (based on old serial radio communications infrastructure) was used to pull and push data between SCADA and remote sites. Reconfigured to allow SCADA to directly communicate with each site over Avondale's high speed microwave network to push/pull data directly, eliminating Master PLC as a failure point. (Feb–Jul 2013)
3) WRF Hach autosampler addition. Integrated two new hach autosamplers into existing plant infrastructure by collecting appropriate flow rates, combining/processing the flow rates and outputting to control the autosampler pacing flow rate in two different PLCs within the plant. (Jun 2013)

4) Rancho Santa Fe UPS replacement. Demoed and replaced existing UPS to serve as a backup for the PLC at Rancho Santa Fe. Configuration of UPS to add additional battery pack capacity. (Mar 2013)
5) Northside filter control issue troubleshooting. (Apr 2013)
6) Avondale Well 16 chlorination system failure mitigation. OIT/PLC software recovery, reconfiguration and reprogramming to get site back up and running, since Well 16 cannot be operated without chlorinator. (Apr 2013)
7) Avondale Water Quality Monitoring migration. Migrated WQM system from Van Buren vault to Coldwater Booster site. Set up PLC to read data from WQM system and wired/configured Modbus communications link. (Jun 2013)
8) WRF Aeration basin DO probe additions. Added new I/O card for new DO probes and future probe additions for three Aeration basins. Downloaded PLC with new configuration and confirmed functionality with new DO probes. (Sept 2013)
9) Northside CO2 system failure troubleshooting. CO2 system failing on wellpump stop. Found CO2 system being commanded by well start command rather than well run status. Changed command to reflect well run status and stress tested the system to confirm fix. (Oct 2013)
10) WRF Aeration Blower code reverse engineering & control description writeup. (Oct 2013)
11) Master Migration Project Phase 2. Coldwater reservoir system well controls for Well 15, 16, and 25 were migrated to allow direct PLC-PLC interfacing for all well control needs. This decentralization of the controls away from one master PLC reduces the possibility of a single point of failure causing loss of control/monitoring for the well sites. (Nov 2013)
12) Gateway nitrate system HMI conversion from Lookout 5.1 to Wonderware 2012. (Nov-Dec 2013)

MICROCHIP, CHANDLER – C1 BUILDING DESIGN LAB PROJECT

Dates: October 2013 - Present
Contract Amount: $11,640.00
Owner / Client: MicroChip Chandler Facility

Scope:

- We will be using Flex I/O for all inputs/outputs, see attachment with analog input/output identifications.
- Flex I/O will be networked to PLC 1 after we replace the PLC 5 with Controllogix controller.
- All field instruments will be supplied and installed by Microchip.
- All field wiring and cables will be supplied and installed by Microchip.
- I/P transmitters will be supplied by Microchip and installed in the new panel by Vertech

Technology:

- Allen Bradley Controllogix programming, UL508 certified panel building, pneumatics.

TOWN OF QUEEN CREEK - HIGH SPEED BACKBONE PROJECT

Dates: September 2013 – October 2013
Contract Amount: $23,930.00
Client / Owner: Town of Queen Creek/Greg Homol
Contract Used: City of Avondale Contract #13392C

Scope:

- To install a High Speed Wireless Backbone connection between their newly acquired H2O Inc central hub back to their Town of Queen Creek Administration Building.

Technology:

- Tsunami MP.11 Model 5054 – R-LR High Power Base Station Unit for extended range with Type-N Connector, radio tower and installation. Range of 5.1 miles with a 54mb per second speed.

CITY OF PEOIRA – LIFT STATION REPROGRAMMING

Dates: October 2013 - Present
Contract Amount: $65,960.00
Client / Owner: City of Peoria
Reference: City of Peoria Service Contract

Scope:

- Reverse-engineering of existing PLC controls to establish and refine Control Descriptions and then provide new standardized Schneider/Telemechanique Unity programming, and PLC replacement for three wastewater Lift Station sites.

Technology:

- Tsunami MP.11 Model 5054 – R-LR High Power Base Station Unit for extended range with Type-N Connector, radio tower and installation. Range of 5.1 miles with a 54mb per second speed.

PRESCOTT VALLEY WRF LIFT STATION MONITORING AND AUTOMATION PROJECT

Dates: December 2012 – October 2013
Contract Amount: $188,580.00
Owner: Town of Prescott Valley/Operated by CH2MHill

Scope:

- Design-build of monitoring and automation panels for existing Prescott Valley wastewater Lift Stations. This project involved panel design, construction, and installation along with radio communications design, and full system integration for monitoring and control of all sites from the WRF facility.

Technology:

- Allen Bradley – Micro Logix and SLC 5/03, 5/04 and 5/05 PLC's – RS Logix 500, Compact Logix PLC's – RS Logix 5000 version 13 through 21, Phoenix Contact radios and remote I/O, MDS INET II radios.

ADHERENCE TO IEC61131-3 STANDARDS

Vertech programmers use IEC61131-3 standards for programming. In the past we have used data function block, structured text, and straight ladder logic instructions. The language of choice for each project is determined by the programmer with consideration for the process being automated and the standards already in use by the client.

Vertech's use of this industry standard benefits the Town of Buckeye by allowing anyone skilled in programming to follow the code we've written and to make necessary changes. The use of this industry standard saves Buckeye in programming time, and does not tie the City to one Firm or Programmer. Code is open, well documented, and can be easily modified, if necessary.

WONDERWARE SOFTWARE EXPERIENCE

Vertech has been programming Wonderware software since the start of business over six years ago. Vertech is a Wonderware Certified Developer. Titus Crabb, Bob Morris, John Wolnisty, and Ron Smith are System Platform Certified Developers. Chad Charman is an InTouch Certified Developer. In addition, John James, Kris Grindstaff, and Steve Gontarz all have a demonstrated proficiency with Wonderware Software.

SECTION 3: KEY POSITIONS

A. & B. Key Personnel
We've assembled a strong team to provide Buckeye's support. The following individuals will work with Buckeye staff to provide SCADA services.

STEPHEN GONTARZ –LEAD PROJECT ENGINEER, CATEGORY ONE, TWO & THREE

Mr. Gontarz joined Vertech in July of 2011, and he holds the position of Integration Manager for Vertech. Steve is client focused, with over 15 years of direct programming experience with Allen-Bradley and Modicon PLC's, and many different versions and brands of HMI (SCADA) software. Steve has been active in development of software methods and also managing a team of engineers. Steve is skilled at training new programmers, and developing them into field efficient individuals ready to take on all situations in the field. Steve specializes in the Allen Bradley product line and automation and control systems for well sites, water & wastewater plants, booster stations, lift stations, recharge and injection wells, arsenic removal facilities, as well as chemical injection, thermal heat-treat, injection molding, and ultra-pure chemical.

Steve's role on this project, as Project Manager, will be to support and coordinate the efforts of John James Jesse Wilson, and John Wolnisty in their tasks relating to the Town of Buckeye's SCADA System. If additional resources are required, Steve will assign them as required.

JESSE WILSON- ELECTRICAL ENGINEER, CATEGORY ONE OR TWO

Jesse is an Electrical Engineer and joined Vertech in October 2010 as a **Control Systems Integrator II**. Jesse is a degreed Electrical Engineer from Arizona State University. He has in depth knowledge of PLC, OIT, and SCADA Programming with an emphasis on Allen Bradley automation hardware. He is experienced in panel design, building, and testing as well as instrument calibration and startup. His strengths include troubleshooting PLCs, control panels, field wiring and instruments. Jesse has previous experience in working with the Town of Buckeye's SCADA system.

JOHN JAMES, EIT – RADIO DATA COMMUNICATIONS, CATEGORY ONE OR TWO

John James joined Vertech in September 2010, and he's done nothing but exceed our clients' expectations from the beginning. John James earned a Bachelor of Science degree in Electrical Engineering from Arizona State University, and is an Engineer In Training (EIT). John holds the position of **Senior Control Systems Engineer**, and has twelve years' experience in PLC programming, process control and systems integration/automation. John possesses a broad knowledge of radio communications systems and their usage in SCADA environments.

John is an extremely client-focused individual with excellent communication and diagnosis skills. Controls engineers with John's combination of technical expertise, interpersonal skills and desire to satisfy the client are an extremely rare combination, and he is a true asset to the Vertech team.

KEVIN WANG- CONTROLS ENGINEER, CATEGORY ONE OR TWO

Mr. Wang joined Vertech in December of 2012 as a Controls Engineer. Kevin graduated from Wayne State University in December of 2007 with a Master's degree in Electrical Engineering. Kevin has five years' experience in PLC programming, HMI programming, control system design and project management. Kevin specializes in the Allen Bradley, Wonderware product line and automation and control systems for well sites, water & wastewater plants, booster stations and lift stations. Kevin also has experience in the pharmaceutical, food and beverage and mining industries. Kevin has had training in OSHA and MSHA safety.

BACKUP RESOURCES FOR EMERGENCY SUPPORT:

CHAD CHARMAN- CONTROLS SYSTEMS INTEGRATOR II, CATEGORY ONE OR TWO

Chad joined Vertech in March of 2010 as a **Control Systems Integrator II** and brings 9 years of experience in the controls industry and 14 years total technical experience to our team. Chad's technical experience includes electrical design, HMI development, PLC programming and instrumentation calibration. Since entering the industrial controls field, Chad has worked in a variety of industries including water and waste water, industrial process control, mining and material handling. Chad has a determined personality and puts great effort into client satisfaction. Chad is a Wonderware InTouch Certified Developer.

JOHN WOLNISTY

John Wolnisty joined Vertech in December 2010 and is a **Senior Control Systems Programmer**. John has 32 years experience programming using a variety of platforms, tools and environments including .NET and SQL. His industry knowledge includes process control, manufacturing, warehousing and distribution, real-time payment processing and eCommerce. He also has an extensive background in systems administration, network and database design.

C. Vertech will self-perform this contract, no subcontractors will be used.

D. See Appendix B for Resumes and who at Vertech is Wonderware Certified

SECTION 4: WARRANTY

A. Vertech Standard Warranty Terms are as follows:

The Contractor warrants the computer and controls hardware supplied for the Project to the extent of any manufacturer's warranty to Contractor that is applicable to such equipment. The Contractor warrants that it will, for a period of one (1) year, correct, repair or replace computer software that fails to meet the design requirements of the Contract under normal use. This warranty is void if anyone other than Contractor has modified the software in any way.

SECTION 5: PRICING

A. Vertech's Fee Proposal is attached in a separate Envelope at Appendix A, in an envelope marked, "Confidential" do to the nature of our pricing structure being public record.

SECTION VIII – PROPOSAL CERTIFICATION

Town of Buckeye
Contracts & Purchasing Division
530 East Monroe Avenue
Buckeye, AZ 85326

The undersigned certifies that to the best of his/her knowledge: (**check only one**)

(x) There is no officer or employee of Town of Buckeye who has, or whose relative has, a substantial interest in any contract resulting from this request.

( ) The names of any and all public officers or employees of Town of Buckeye who have, or whose relative has, a substantial interest in any contract resulting from this request, and the nature of the substantial interest, are included below or as an attachment to this certification.

ADDENDA: Receipt of the following Addenda is acknowledged, and the provisions are included in this RFP:

Addendum No._____ **Dated**_____
Addendum No._____ **Dated**_____

Proposer represents that (s)he operates as (check appropriate box):

- ☐ an individual
- ☐ an individual doing business as _____
- ☐ a partnership consisting of (include full names of all partners)_____
- ☒ a corporation incorporated in the State of Arizona
- ☐ other (detail) _____

Bob Morris 11/20/2013 Bob Morris
(signature required) **(date)** **(print name)**

Bob Morris 20-1819693
(print title) **(Federal Taxpayer ID Number)**

Firm Name: Vertech Industrial Systems

Address: 4409 East Base Line, suite 127

City:Phoenix_____, **State:AZ**_____, **Zip Code:** 85042

End Section

SECTION IX - OFFER AND ACCEPTANCE

To the Town of Buckeye, Arizona:

The undersigned hereby offers and agrees to furnish the materials in compliance with all terms, conditions, specifications and amendments in the Solicitation. Signature also certifies understanding and compliance with the Town Of Buckeye's Standard Terms and Conditions.

COMPANY NAME: Vertech Industrial Systems

ADDRESS: 4409 East Baseline Road, suite 127

TOWN/STATE/ZIP: Phoenix, AZ 85042

PHONE: 480-756-2300 FAX: 877-387-0277

CONTACT PERSON: Bob Morris

AUTHORIZED COMPANY SIGNATURE:

THIS FORM MUST BE SIGNED AND RETURNED WITH PROPOSAL

ACCEPTANCE OF OFFER

(For Town use only)

The Contractor is now bound to provide the services as specified herein in accordance with all terms, conditions, specifications amendments, etc. and the Contractor's Offer as accepted by the_____.

The contract is for:

_____

_____

_____

The Contractor is cautioned not to provide any materials under this contract until the Contractor receives an executed purchase order.

Awarded this_____day of_____, 2013.

_____

Purchasing Agent

End Section

SECTION X

NON-COLLUSION AFFIDAVIT

State of Arizona)
) ss.
County of Maricopa)

Bob Morris affiant,
(Name)

the Vice President
(Title)

Vertech
(Contractor/Bidder)

the persons, corporation, or company who makes the accompanying Proposal, having first been duly worn, deposes and says:

That such Proposal is genuine and not sham or collusive, nor made in the interest of, or behalf of, any persons not herein named, and that the Bidder has not directly or indirectly induced or solicited any other Bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the Bidder has not in any manner sought by collusion to secure for itself an advantage over any other Bidder.

Vice President
(Title)

Subscribed and sworn to before me
this 20 day of November, 2013

Signature of Notary Public
Ashley Buckmaster
in and for the
County of Maricopa

State of Arizona

My Commission Expires:

2/21/17

ASHLEY BUCKMASTER
Notary Public - Arizona
Maricopa County
My Comm. Expires Feb 21, 2017

JOHN WOLNISTY
SENIOR PROGRAMMER

Vertech

Education:
BS, Loyola Marymount University
MS Microbiology(Coursework Completed), University of Arizona

Technology Experience:

- Programming environments: Microsoft Visual Studio, .NET, COM, VAX/VMS
- Languages: C#, C++, C, VB, Ada, Assembler, numerous others
- Databases: SQL Server (6.5 onwards) Oracle (6, 7, 8), Rdb, MongoDB
- Communications: Ethernet, TCP/IP, RS-485, RS-232. Network topology design.
- System administration: Windows domains, VMS, VMware
- SCADA Interface Toolkits: Wonderware v7.0 through v2012 – InTouch, InSQL, ActiveFactory, InControl. Iconics Genesis32, Rockwell RSView, SetCIM, UCOS
- PLC Interface Toolkits: Modicon – Unity, Concept v2.5-2.6, Proworx NxT
- Allen-Bradley – RSLogix 5, 500, 5000,
- Automation Direct – Click, DS5
- Other specialty knowledge: Writing low-level system services in both the Windows and VMS environments.

Certifications:

- Microsoft Certified Systems Engineer, Solution Developer, Database Administrator
- Oracle Certified Database Administrator
- Archresta Certified Developer

Mr. Wolnisty recently joined Vertech in December 2010 and is a **Senior Control Systems Programmer**. John has thirty-two years programming experience using a variety of platforms, tools and environments. His industry knowledge includes process control, manufacturing, warehousing and distribution, real-time payment processing and eCommerce. He also has an extensive background in systems administration and networking.

Recent Project Experience:

Hexcel Corporation
Casa Grande, Arizona
Integration of new processes to SCADA system. Designed and developed programs to integrate plant floor operations to a central database allowing process parameter specification and operational reporting with a single tool. (SQL Server, RSView, Visual Studio 2008, C#, Direct Logic 205 PLCs)

XTO Energy
Fort Worth, Texas
Enhance and replace, if necessary, existing oil and gas well-field SCADA applications. Applications include portions of an existing SCADA application and external programs. Write a generic SMS text / response service for data queries from email or cell phone clients. The Windows Service uses SQL Server data rendered as an XML document transformed via xslt documents to form a result set. This allow system modifications to me made without having to modify the source code. Enhanced web-based data table maintenance tools. (SQL Server, Visual Studio 2020, C#, XML, XSLT, System Platform 3.1)

Nassau International Airport
Nassau Bahamas
Integration of reporting services to meet TSA requirements. Develop data collection services to multiple PLC's. Develop reports into a central database for web-based monitoring, querying and reporting. (SQL Server, Reporting Services)

Rick Husband International Airport
Amarillo, Texas
Designed and developed complete SCADA system for data collection, monitoring and visualization of outbound baggage handling system. System designed using object oriented methodology complete with unit test and emulation facilities. Developed TSA compliant reporting services for system.

Orange County Sanitation District
Orange County, California
Numerous program modifications and enhancements maintaining an aging VAX/VMS based process control system. Developed numerous tools to automate and streamline PLC code production and maintenance. Developed recommendations and strategies to migrate systems to newer platforms. Designed and constructed PLC based redundant system arbiter. (Modicon Quantum, Automation Direct Click, CRISP, Visual Studio, C#, Wonderware System Platform, SQL Server)

Vertech Industrial Systems
Internal Projects
Designed, developed and continuously improved tools to aid programming staff in the creation of applications for our customer base. These tools minimize errors and force adherence to standards by automating the generation of portions of PLC, SCADA and database programs.

City of Phoenix Aviation Division
Phoenix, Arizona
Continuous process improvements on existing systems, including Baggage Handling System Sort Allocation Computer program. Developed drivers for new equipment integrated into legacy systems.

City of Phoenix – Val Vista WTP
*Mesa, Arizona**
Electrical Design, Construction, and SCADA Integration of effluent turbidity monitoring system (Modicon 984-785, Wonderware InTouch)

Clean Energy Corporation
*California**
Assessed SCADA needs and made recommendations on current system. Developed tools to allow rapid development and deployment of new business units. (Visual Studio, C#, SQL Server, Wonderware System Platform)

*This project experience was gained while John was with a previous employer. This was not a Vertech project.

STEPHEN GONTARZ
INTEGRATION MANAGER

Vertech

Education:
US Navy, 1986-1996
West Chester State University · General Studies, 1993

Professional Affiliations:
ISA – Instrumentation Society of America

Technology Experience:
- Rockwell Software RSLogix 5, 500 and 5000 programming software
- Allen Bradley ControlLogix 5000, SLC500, PLC5, Micrologix, CompactLogix
- Modicon ProWorks Nxt, Concept with Quantum, and Momentum
- Wonderware System Platform
- Wonderware InTouch
- GE Proficy iFIX - Intellution FIX32
- Longwatch Security Software
- Various analytical and process instrumentation
- Various industrial control networks including: Control Net, Ethernet & Device Net

Mr. Gontarz joined Vertech in July of 2011, and he holds the position of Integration Manager and Project Manager for Vertech. Steve is an extremely client-focused engineer, with over 15 years of direct programming experience with Allen-Bradley and Modicon PLC's, and many different versions and brands of HMI (SCADA) software. Steve has been active in development of software methods and also managing a team of engineers. Steve is skilled at training new programmers, and developing them into field efficient individuals ready to take on all situations in the field. Steve specializes in the Allen Bradley product line and automation and control systems for well sites, water & wastewater plants, booster stations, lift stations, recharge and injection wells, arsenic removal facilities, as well as chemical injection, thermal heat-treat, injection molding, and ultra-pure chemical (semiconductor.)

Recent Project Experience:

Prescott Valley Advanced Treatment Plant SCADA Master Replacement*
Prescott, Arizona
Steve was the lead programmer on this project, responsible for specifying, purchasing, configuring, and programming the new SCADA Master utilizing Wonderware Intouch HMI software, to replace an existing ICOM HMI system.

Town of Gilbert – San Tan Vista Water Treatment*
Gilbert, Arizona
Steve performed the duties as the Project Manager for this job. Perform an extensive QA/QC review ensuring that the system was ready prior to the field installation enabling the client a seamless installation.

Anthem Water Campus*
Anthem, Arizona
Steve was the lead programmer on multiple projects at this site, and has been responsible for the majority of the PLC and HMI programming at this site since 2000. Steve programmed and planned the plant SCADA systems for every expansion project to date - from a one (1) MGD plant to a plant capable of over seven (7) MGD. Steve also has performed all of the programming for the Wastewater Plant including the integration of the Xenon packaged systems.

Fat Chance Well Site*
Prescott, Arizona
Steve programmed and performed the start-up of the Prescott Valley Fat Chance Well. Operation of this 900 HP Well Pump was based on pressure and involved numerous safety interlocks due to the size of the pump and motor. The site consists of Allen Bradley MicroLogix PLC and Wonderware InTouch.

Arsenic Removal Facilities*
Buckeye, Arizona
Steve performed the programming duties as the town of Buckeye's maintenance and service programmer ensuring operational readiness of the all package system for them. The system consists of Allen Bradley Control Logix 5000, Wonderware Intouch and Longwatch security software.

Verrado-Water System*
Verrado, Arizona
Steve performed the duties as the system programmer for the two (2) booster stations and the four (4) wells. Three of the wells were off-site RTU's Remote telemetry units that communicated via spread spectrum radios. Allen Bradley SLC PLC's, Panelview OIT's, and Wondereware Intouch.

*This project experience was gained while Steve was with a previous employer. This was not a Vertech project.

Heat Treat Oven Operator Interface Reporting System Replacement*

Chandler, Arizona

Steve was the programmer on this project, responsible for replacing the outdated controls with a new Wonderware InTouch HMI system, using Industrial SQL Server and a Microsoft Access database to enable the end user to maintain the necessary records for a thirty year period to comply with the Federal Aviation Administration required reporting functions.

*This project experience was gained while Steve was with a previous employer. This was not a Vertech project.

JOHN JAMES
SENIOR CONTROL SYSTEMS ENGINEER

Vertech

Education:
BSE, Electrical Engineering, Arizona State University - 2001

Technology Experience:
- SCADA Interface Toolkits: Wonderware v7.0 through v10.0 – InTouch, InSQL, ActiveFactory, Proficy HMI/SCADA - CIMplicity
- OIT Programming: Vijeo Designer, XBT-L1000, PanelView, Quickpanel
- PLC Interface Toolkits: Modicon – Unity, Concept v2.5-2.6, Proworx 32, Proworx NxT
- GE Fanuc – Proficy Machine Ediiton, VersaPro, Logic Master
- Allen-Bradley – RSLogix 500, 5000
- PLC systems: Modicon - M340, Quantum, Momentum, Compact 984, 984, Micro A120
- GE/Fanuc – 90/70, 90/30, VersaMax
- Radio systems: GE/MDS – iNET 900, iNET II 900, TransNet, entraNet, 9710, 9810
- Other: DataRadio (EF Johnson), Data-Linc, Esteem, FreeWave, AvaLan, Phoenix Contact, El-Pro Technologies
- Radio system design & planning,
- Calculated and Physical Radio Surveys, Antenna Systems
- Process Instrumentation: Process Integration, Field Wiring, Configuration, Calibration, Integration, and Troubleshooting
- Other specialty knowledge: Inter-PLC Data Communications (wired and wireless), Power Monitoring, Protocol Conversion, Store & forward systems, TDR Metallic Cable Integrity Testing (up to 50,000ft)

Certifications:
- F.E./Engineer in Training – Arizona Certification # 08683
- Wonderware InTouch 10.0 Certified – # SI307960

Mr. James joined Vertech in October 2010 and is a **Senior Control Systems Engineer**. John has eleven years experience in PLC programming, process control, and systems integration/automation and possesses a broad knowledge of radio communications systems and their usage in SCADA environments.

Recent Project Experience:

City of Phoenix – Val Vista WTP
Mesa, Arizona
Provide GAC System PLC program development (Modicon Quantum) for five PLC's. John provided PLC programming in Concept V2.6, FAT testing, and startup assistance for four different areas. Coordination with subcontractors to streamline integration.

Aztech Chemical Blend Control Unit
Chandler, Arizona
Vertech's scope included design, specify, fabricate, and program a control unit to be housed on a wafer polisher for Intel within a very small footprint. John performed PLC Programming to deliver a chemical blend to a pre-determined percentage and overall flow rate and HMI Programming for monitoring and set point control, and provided start up assistance.

City of Avondale Water Resources Division
Avondale, Arizona
Process analysis, troubleshooting, upgrades, and PLC code optimization at multiple sites in both freshwater and wastewater systems (Modicon M340, Quantum, Compact, Micro, MDS 9810), and provide ongoing support for PLC and HMI.

APS Sundance Power Station
Casa Grande, Arizona
Natural Gas Monitoring system for Transwestern gas pipeline addition (GE/Fanuc 90/70, GE/Fanuc 90/30, CIMplicity), Ongoing PLC maintenance

City of Peoria Utilities
*Peoria Arizona**
Design and upgrade of 60+ remote sites to Ethernet radio (Modicon Compact, MDS iNET II 900)

Entegra Power/Gila River Power Station
*Gila River, Arizona**
Natural gas monitoring and long distance data relay system for Transwestern gas pipeline addition (Modicon Momentum, Quantum, Freewave FGR-115H, MDS Transnet)

Valley Center Municipal Water Department
*Valley Center, California**
2.4GHz physical radio survey of 67 remote sites (Esteem 192c)

Salt River Project
*Peoria, Arizona**
Perkins 600kV Switchyard HMI development (Iconics Genesis)

City of Phoenix – Cave Creek WRF
*Phoenix, Arizona **
Development and implementation of DCS Control System (GE XL/SCADA, Solaris/UNIX)

*This project experience was gained while John was with a previous employer. This was not a Vertech project.

CHAD CHARMAN
PROJECT MANAGER / CONTROL SYSTEMS INTEGRATOR II

Vertech

Education:
Bachelor of Applied Science in Architectural Design
University of Advancing Computer Technology · 1996

Certifications:
- Microsoft Certified System Engineer (MCSE)
- Wonderware Intouch 10.1

Continued Education:
- RSLogix 500, SLC Maintenance and Troubleshooting December 2004
- Supervisory Control and Data Acquisition (SCADA): Rockwell RSView 32 and RSView SE Programming/Development July 2005
- Intellution Proficy iFix Development/Programming February 2007

Technology Experience:
- Wonderware System Platform
- Wonderware InTouch
- Rockwell Software RSLogix 5 and 500 programming software
- Rockwell Software RSView32 ME and FactoryTalk View ME
- Intellution iFIX
- Indusoft HMI
- Various analytical and process instrumentation
- Various industrial control networks
- Rosemount Instruments
- Endress+Hauser Instruments
- Fluid Components Instruments
- Marsh McBirney Instruments
- Hach Instruments
- HART network

Mr. Charman joined Vertech in March of 2010 and brings 11 years of experience in the controls industry and 14 years total technical experience to our team. Chad's technical experience includes electrical design, HMI development, PLC programming and Instrumentation Calibration. Since entering the industrial controls field, Chad has worked in a variety of industries including Water and Waste Water, Industrial Process Control, Power Industries, Mining and Material Handling.

Recent Project Experience:

First Solar 48 MW Solar Plant
Las Vegas, Nevada
First Solar 30 MW Solar Plant
Cimarron, New Mexico
First Solar 5 MW Solar Plant
Deming, New Mexico
First Solar 20 MW Solar Plant
Gila Bend, Arizona
First Solar 290 MW Solar Plant
Dateland, Arizona
First Solar 50 MW Solar Plant
Primm, Nevada
Vertech's contract for this project included I/O checkouts, wiring and labeling verifications, and functional checkout and calibration of instruments and devices. Chad was responsible for testing communications, uploading programs to the PLC, HMI's, Network Switches and Data Loggers. Additional responsibilities included testing communication of contractor's equipment to the PLC and SCADA systems, including network hardware testing and configuration. Chad also calibrated weather station(s), created procedures for calibrating specific devices including temperature instruments, and provided daily documentation.

City of Goodyear Injection Well Systems
Goodyear, Arizona
Chad provided Redlion HMI development, start-Up and commissioning services, required calibrations, VFD programming, and field radio study for link feasibility.

City of Sahuarita Wastewater Treatment Plant 1.5 MGD Expansion*
Sahuarita, AZ
Project scope included development of a Wonderware System Platform SCADA system communicating with Allen-Bradley ControlLogix PLCs. MCC and control panel design, loop diagrams, instrumentation, system commissioning and I&C inspection services were also provided. Chad provided System Platform programming and all on-site commissioning and I&C oversight services.

City of Sieritta Potable Water System*
Sieritta, AZ
Project scope included development of a Wonderware InTouch SCADA system communicating with Allen-Bradley MicroLogix 1100 PLCs. Control panel design, loop diagrams, instrumentation and system commissioning services were also provided. Chad provided electrical design, and all on-site commissioning services.

Lynden Pindling International Airport Baggage Handling System
Nassau, Bahamas
Project scope was to provide all motor control cabinet and I/O panel design for baggage conveying systems. Chad provided electrical design services for this project including electrical design: 480VAC / 120VAC / 24VDC, Main Control Panels (MCP), Input/Output Panels (IOP): Remote I/O, Vertical-Sort Unit (VSU's), Push-Button stations, and all PLC racks.

*This project experience was gained while Chad was with a previous employer. This was not a Vertech project.

KRIS GRINDSTAFF
INDUSTRIAL PROGRAMMER III, CYBER SECURITY SPECIALIST

Vertech

Education:
Bachelor of Science, *Computer Science*
Arizona State University - 2003

Cyber Security Coursework:
- **2012 Department Of Homeland Security** Web, Introductory, Intermediate, and Advanced Cyber Security Training
- **2013 SANS Institute** Working towards CISSP (Certified Information Systems Security Professional)

Technology Experience:
- Network Security including Firewall installation and configuration, network zoning and segmentation.
- Cyber Security testing and evaluation for control system networks.
- Member of the Department of Homeland Security Industrial Control Systems Joint Working Group (ICSJWG)
- Network administration of servers, Active Directory, virtualization, remote access, routers, switches, etc.
- SLC 500, A-B PLC-2, AB PLC-5, ControlLogix, Softlogix, CompactLogix, and all RSLogix software.
- Communication networks: DeviceNet, ControlNet, Profibus, Profinet, EtherNet, and many others
- Microsoft Visual Basic 6.0 and VB.NET, C#, and SQL Server
- Rockwell RSView SE/ME/32, RSHistorian, RSBatch, RSSQL
- Databases: Microsoft SQL Server and Oracle
- Wonderware InTouch and System Platform
- Robotic systems: ABB, Adept, Staubli, Yamaha, GE Fanuc, and Motoman
- Vision systems: Cognex, DVT, Keyence, PPT, Retina, Adept, and multiple others.
- Also Siemens, Omron, Opto22, and Mitsubishi PLC's

Mr. Grindstaff joined Vertech in July of 2011, and he holds the position of Industrial Programmer III for Vertech. Kris has extensive experience and skill in designing, programming, testing, and servicing complete automation solutions. Kris' experience includes everything from servo and motion control drives, to PLC's to plant wide SCADA and cell monitoring systems. Kris has developed several applications for machine control, HMI's, database storage and retrieval, and network utilities using Microsoft Visual Basic 6.0 and VB.NET, C#, and SQL Server. Kris has vision systems experience, as well as design and implementation of numerous robotic systems. Kris' skill set includes proficiency in Information Technology area including site management, server administration, and network configuration. Kris is formally trained in cyber security and is fully capable of assessing and securing systems to current industry standards.

Recent Project Experience:

Freeport-McMoRan Copper & Gold Inc. – 2011 Water Controls Upgrade
Green Valley, Arizona
Programming of approximately 50 PLC's and HMI applications to replace and improve existing systems. This system is comprised of several well sites and booster stations to pump and move water for use in mining. Networking all systems together with fiber optic network to improve system performance and reliability. Creating all PLC (AB CompactLogix) and PC programs (Emerson Delta V – DCS) including interfacing with existing systems for total system control and monitoring. Development of data storage and retrieval sytem.

ETEC Systems*
Oslo, Norway
Designed three large systems for the manufacturing and testing of microprocessors. This included ControlLogix and SoftLogix PLC's, PC based robotic systems, several pieces of test equipment where custom interfaces had to be created, and various other pieces of industrial automation equipment. Developed all PLC and PC programming. Developed all interfaces and custom HMI applications using the .NET environment. Developed databases for historical tracking and designed reporting services for the data.

Nokia*
Dallas, Texas
Design and development of complete automation cells for the automated production of cell phones. Responsible for over 150 complete cells. Performed all robotic and PC based programming. Custom PC apps for interface control and data storage and retrieval. Networked all systems together for plant wide monitoring and data collection. Managed installation of all cells. Performed all I/O checks and troubleshooting.

Ryobi Die Castings*
Shelbyville, Indiana
Networked all automation lines in three separate plants. Addition of PLC and HMI programming to allow for statistical data gathering for all processes. Developed databases for data storage. Streamlined all system processes to reduce downtime and improve quality at the same time as increasing throughput. Once all systems were networked and program changes were complete, developed web-based system for total plant monitoring and overview and to allow for custom report generation.

General Motors*
Detroit, Michigan
One of the lead developers for the complete re-tool of all GM plants worldwide. Responsible for developing robotic, PLC, and PC based applications. Installed and tested all systems including I/O checkouts. Interfaced all new systems with corporate network to allow for complete companywide monitoring of all systems. Developed standardized code modules so that development by others followed certain coding standards and allowed for plug and play type functionality. Developed automatic code generation tools.

JESSE WILSON
CONTROL SYSTEMS INTEGRATOR II

Vertech

Education:
BSE, Electrical Engineering,
Arizona State University - 2006

Technology Experience:
- Rockwell RSLogix5000, RSLogix500
- Modicon Unity, Concept, Proworx NXT
- Rockwell FactoryTalk View
- Vijeo Designer
- Wonderware
- Intellution
- GE Proficy iFix
- Control Microsystems TelePACE

Mr. Wilson is a **Control Systems Integrator II**. Jesse has in depth knowledge of PLC, OIT, and SCADA Programming with an emphasis on Allen Bradley automation hardware. He is experienced in panel design, building, and testing as well as instrument calibration and startup. His strengths include troubleshooting PLCs, control panels, field wiring and instruments. Jesse has over seven years of experience in PLC programming and field experience.

Recent Project Experience:

Palo Verde Nuclear Facility
Wintersburg, Arizona
Project scope included PLC and SCADA programming and integration for new construction for the addition of a transformer and associated equipment. Jesse performed Modicon Quantum (Concept) programming and screen development in Intellution iFix. The project also included startup and commissioning phases for three different units. The scope included modifications to five Modicon Quantum PLCs and six different SCADA servers. Jesse provides ongoing support at Palo Verde.

GE Water
Phoenix, Arizona
Jesse provides ongoing support for GE Water's Phoenix site including instrumentation, troubleshooting, instrumentation calibration and startup, and troubleshooting for field devices.

Avra Water Co-op
Tucson, Arizona
Project scope included addition of flow totalizations and pump start time tracking. Jesse programmed seven SCADAPack PLCs, two DirectLogic PLCs and their main Wonderware InTouch server to integrate this data. Jesse also programmed daily reports for ten sites and a yearly report for flow total and pump run times using HMI reports.

Kingman Downtown WWTP
City of Kingman, Arizona
Programming of AB ControlLogix PLC, OIT, and Wonderware System Platform with Historian development. Programming and development to standards provided for all aspects of the plant including all pumping procedures, power monitoring, odor control, aeration basins, biofilters, blowers, chemical cleaning, and UV disinfection.

El Mirage WWTP
City of El Mirage, Arizona
PLC replacement involved converting from Data Highway to Remote I/O over Controlnet for PLC-A including replacement of SLC-500 rack to ControlLogix 5000 rack.

Goodyear Injection Wells Expansion
City of Goodyear, Arizona
Addition of three new injection wells including RSLogix 500 programming (MicroLogix), radio path survey, panel design, field wiring, instrument calibration, startup, and ongoing support.

City of Avondale On-Call Support
City of Avondale, Arizona
On-Call Support service including code modifications to vendor packages (MicroLogix)

KEVIN WANG
CONTROLS ENGINEER

Vertech

Education:
Master of Science in Electrical Engineering
Wayne State University · 2007

Technology Experience:
- Rockwell Software RSLogix 5, 500 and 5000
- Allen Bradley ControlLogix 5000, SLC500, PLC5, PLC 3, Micrologix, CompactLogix
- Siemens PCS7/Batch
- AutomationDirect, SCADAPack, ClearSCADA
- Modicon Modsoft, Concept and Unity with 984, Quantum, M340 and Momentum
- Wonderware System Platform
- Wonderware InTouch
- FIX32, and iFix
- GE Cimplicity HMI
- Various analytical and process instrumentation
- Matlab, Labview, Linux, C/C++
- AutoCAD
- Various industrial control networks including: Control Net, Ethernet & Device Net

Certifications:
- Wonderware InTouch 2012 Certified - #CSI3350
- Wonderware Industrial Application Server 2012 Certified - #CSI3350
- Wonderware Historian Server 10.0 Certified - #CSI3350
- Wonderware Historian Client 10.0 Certified - #CSI3350

Continued Education:
Wonderware Software Conference -2013
Wonderware System Platform training - (2009&2010)
Siemens PCS7 SP Engineering Training – (2009)
Siemens Energy & Automation Application Engineers Fall Training – (2008)
Rockwell ControlLogix Engineer Training – (2008)

Mr. Wang joined Vertech in December of 2012 as a **Controls Engineer**. Kevin graduated from Wayne State University in December of 2007 with a Master's degree in Electrical Engineering. Kevin has over six years' experience in PLC programming, HMI programming, control system design and project management. Kevin specializes in the Allen Bradley, Wonderware product line and automation and control systems for well sites, water & wastewater plants, booster stations and lift stations. Kevin also has experience in the Pharmaceutical, Food and Beverage and Mining. Kevin has had training in OSHA and MSHA safety.

Recent Project Experience:

Microchip Technology Inc
Tempe, AZ
Vertech will provide a turnkey upgrade for Microchip's toxic gas monitoring system including all engineering and programming services, panel manufacturing, network configuration, and startup and commissioning of the new system.
Project scope includes the following:
Upgrade to latest version of GE Cimplicity HMI software, new redundant HP servers, design and configuration of the new fiber Ethernet network, new ControlLogix PLC and remote IO cabinets
Pricing includes design, programming, drawings, procurement and manufacturing of all panels, startup.

Heliae Development
Gilbert, AZ
Evaluated existing PLC control system for algae growth and processing facility, performed complete system re-design for a PLC system upgrade/retrofit, and produced all associated standardized documentation. This is an algae production plant and will encapsulate all aspects of the plant including the photo bioreactors, chillers, heat exchangers, pump and motor control, storage tanks, and HMI visualization of plant processes. Kevin's job scope includes electronic component cut sheet submittals, documentation, programming of PLC and SCADA (AB Controllogix5000 and Wonderware System Platform 2012 R2), review drawings and system startup.

Harquahala Generating Improvements
New Harquahala Generating Company, Tonopah, AZ
Project scope included PLC and SCADA programming and integration for new equipments. Kevin performed AB Controllogix5000 programming and Wonderware screen development. The project also included startup and commissioning, upgrading Wonderware software, reprogram soda ash and two new flow meters, rewrite flush sequence for two clarifiers and two new filter press systems.

AMP - SCADA Server Migration
Alliance Medical Products, Irvine, CA
The client needs to migrate their Wonderware System Platform SCADA system from the existing HP servers onto new Dell servers and requires the services of a certified integrator to ensure a smooth transition. The client desires a functional system that will reliably monitor and control their processes, housed on the newer, specified Dell servers. Goals include duplication of the existing system performance with minimal downtime during transition.

Appendix C

Company Name	SI Contract #	SI Firm Status	Vertech Employee	Username	Support ID #	Certified ON
Vertech	SI306318	Certified - System Platform	Chad Charman	CSI0846	26811626	InTouch 10.1
Vertech	SI306318	Certified - System Platform	Titus Crabb		26810524	Application Server 2.1
Vertech	SI306318	Certified - System Platform	Julia Jacky	CSI3349	44610543	ArchestrA Object Toolkit 3.1
Vertech	SI306318	Certified - System Platform	Julia Jacky	CSI3349	44610543	Historian Client 10.0
Vertech	SI306318	Certified - System Platform	Julia Jacky	CSI3349	44610543	InTouch 10.5 - 2012
Vertech	SI306318	Certified - System Platform	John Koppa		26811092	Application Server 3.0
Vertech	SI306318	Certified - System Platform	Bob Morris		235115238	Application Server 2.1
Vertech	SI306318	Certified - System Platform	Ron Smith	CSI1234	26811624	Application Server 3.1
Vertech	SI306318	Certified - System Platform	Kevin Wang	CSI3350	44611710	Application Server 3.5 - 2012
Vertech	SI306318	Certified - System Platform	Kevin Wang	CSI3350	44611710	Historian Client 10.0
Vertech	SI306318	Certified - System Platform	Kevin Wang	CSI3350	44611710	Historian Server 10.0
Vertech	SI306318	Certified - System Platform	Kevin Wang	CSI3350	44611710	InTouch 10.5 - 2012
Vertech	SI306318	Certified - System Platform	John Wolnisty	CSI1963	26810646	Application Server 3.1

Wonderware West

Certificate of Completion

This certifies that

Stephen Gontarz

has Successfully completed the

System Platform Part 1

as prescribed by
Wonderware West
This 11th day of March 2011

Brian Farner - Instructor

Microsoft CERTIFIED Partner

invensys Wonderware Authorized Distributor

Schneider Electric

Certificate of Completion

Kevin Wang

Has Completed

Unity Pro Programming Level 1

01/29/2013 - 01/31/2013

Edgar M. Bozeman

Instructor

Certificate of Completion

Wonderware West

Microsoft CERTIFIED Partner

invensys Wonderware Authorized Distributor

CERTIFIED invensys Wonderware TRAINING PROVIDER

This certifies that

John James

has Successfully completed the course

Historian Client 10.0

as prescribed by
Wonderware West
This 24th day of June 2011

Brian Farner - Instructor

This is to Certify

Kevin Wang

Vertech Industrial Systems, LLC

is an

Invensys Wonderware Certified

Application Developer

In

Historian Server 10.0

as of

3/18/2013

Scott Kiser
Director, System Integrator Program
Invensys Wonderware

This is to Certify

Kevin Wang

Vertech Industrial Systems, LLC

is an

Invensys Wonderware Certified

Application Developer

In

Historian Client 10.0

as of

3/18/2013

Wonderware CERTIFIED DEVELOPER

Scott Kiser
Director, System Integrator Program
Invensys Wonderware

This is to Certify

Kevin Wang

Vertech Industrial Systems, LLC

is an

Invensys Wonderware Certified

Application Developer

In

Application Server 3.5 - 2012

as of

3/7/2013

Scott Kiser
Director, System Integrator Program
Invensys Wonderware

SCADA On-Call
Contract #2013-035

This is to Certify

Kevin Wang

Vertech Industrial Systems, LLC

is an

Invensys Wonderware Certified

Application Developer

In

InTouch 10.5 - 2012

as of

3/9/2013

Scott Kiser
Director, System Integrator Program
Invensys Wonderware

CERTIFICATE ~ *of* ~ COMPLETION

This is to certify that

John James

has successfully completed the course

Application Server 2012 R2

as prescribed by
Wonderware & Wonderware West
taken in Phoenix, Arizona on October 4, 2013
and is hereby awarded this certificate of completion.

Certified by _____

Brian L. Farner

Wonderware West
A COOPER Crouse-Hinds Company

invensys Wonderware Authorized Distributor

Microsoft CERTIFIED Partner

invensys Wonderware Certified Training Provider

Certificate of Completion

Wonderware West

Microsoft CERTIFIED Partner

invensys Wonderware Authorized Distributor

CERTIFIED invensys Wonderware TRAINING PROVIDER

This certifies that

John James

has Successfully completed the course

Historian Client 10.0

as prescribed by
Wonderware West
This 24th day of June 2011

Brian Farner - Instructor

Certificate of Completion

Wonderware West

Microsoft CERTIFIED Partner

invensys Wonderware Authorized Distributor

CERTIFIED invensys Wonderware TRAINING PROVIDER

This certifies that

John James

has Successfully completed the course

Historian 10.0

as prescribed by
Wonderware West
This 22nd day of June 2011

Brian Farner - Instructor

SCADA On-Call
Contract #2013-035
Page 63 of 69

This is to certify that

John James

is a

Wonderware Certified

Application Developer

in

InTouch 10.0

Effective as of:

November 9, 2008

Sudipta Bhattacharya
President
Wonderware

invensys
Wonderware
SI
CERTIFIED

Scott Kiser
Director, Systems Integrator Programs
Wonderware

CERTIFICATE ~ of ~ COMPLETION

This is to certify that

Julia Jacky

has successfully completed the course

InTouch Software Part 1

as prescribed by
Wonderware & Wonderware West
taken in Phoenix, Arizona on April 13, 2012
and is hereby awarded this certificate of completion.

Certified by _____

Brian L. Farner

Wonderware West
A COOPER Crouse-Hinds Company

invensys Wonderware Authorized Distributor

Microsoft CERTIFIED Partner

invensys Wonderware Certified Training Provider

This is to Certify

Julia Jacky

Vertech Industrial Systems, LLC

is an

Invensys Wonderware Certified

Application Developer

In

InTouch 10.5 - 2012

as of

3/27/2013

Scott Kiser
Director, System Integrator Program
Invensys Wonderware

This is to Certify

Julia Jacky

Vertech Industrial Systems, LLC

is an

Invensys Wonderware Certified

Application Developer

In

Historian Client 10.0

as of

4/1/2013

Scott Kiser
Director, System Integrator Program
Invensys Wonderware

STATE OF ARIZONA

Office of the Registrar of Contractors

License No. ROC 275795

This is to Certify That

Vertech Industrial Systems LLC

DBA (if any)

Having been shown to possess all the necessary qualifications, and having complied with all the requirements of the law, is by order of the Registrar of Contractors duly licensed and admitted to engage in and pursue the business of

L-11

Electrical

Arizona Registrar of Contractors • 1931 •

Contractor in the State of Arizona. Given my hand and the seal of the Registrar of Contractors in my office, City of Phoenix, on 01/03/2012

William A. Mundell

DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

SCADA On-Call
Contract #2013-035

TOWN OF BUCKEYE
530 E. MONROE AVENUE
BUCKEYE AZ 85326

BUSINESS LICENSE

Business Name: Vertech Industrial Systems, LLC

Mailing Address: 4409 E. Baseline Rd., Ste. 127
City, State, Zip: Phoenix AZ 85042

BUSINESS LICENSE NUMBER: 6732

LICENSE PERIOD: 11/18/2013 - 11/30/2014

EXPIRATION DATE: 11/30/2014

Owner: Vertech Industrial Systems, LLC

Business Location: 4409 E. Baseline Rd., Ste. 127
Business City: Phoenix AZ 85042
Sales Tax Number: 20048509
Contractor Number: 275795

Town of Buckeye

Mike Miller - Finance Department

If applicable: A Certificate of Occupancy must be approved and signed by the Town of Buckeye Building Dept. before the business can operate in the Town of Buckeye

Town of Buckeye Building Official:

EXHIBIT C
TO
SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
VERTECH INDUSTRIAL SYSTEM, LLC

[Scope of Work]

See following pages

SCOPE OF WORK

2. **All Inclusive** – The following requirements apply to all categories:

   f. Contractors shall provide preventative/corrective maintenance and support on an on-call, as needed basis.

   g. Contractors shall provide all labor, parts and materials that the Contractor deems necessary to repair an existing problem, upon approval of the City. All parts furnished shall be new and unused. All parts removed for replacement become the property of the City.

   h. All parts and components supplied under this Contract shall be invoiced at cost and installed at Contractors proposed service rates.

   i. Ownership of supplies, parts and repair components shall be transferred to the City upon installation and the City's approval of the installation.

   j. Contractors shall provide at a minimum one (1) Wonderware Developer Program certified technician to perform all maintenance and support services.

4. **Equipment** – Maintenance and support shall include, but not be limited to, the following PLC and radio equipment;

   - **Sundance Service Area:**
     PLC: Allen-Bradley Panel View 600, Panel View Plus 600
     Logic: Allen-Bradley Micro Logix 1500, Compact Logix LE35, Logix 5561
     Radio/Dialer: Data Link Group Model: SRM 6000
     Ethernet Switch: Phoenix Contacts Model: SF8TX
     Uninterruptible Power Supply (UPS): Toshiba Model: 1000
     Network Hubs: Linksys 5 Port
     Transceiver: Omnex RS232

   - **Tartesso Service Area:**
     PLC: Allen-Bradley Panel View Plus 600, Panel View Plus 1500
     Logic: Allen- Bradley Logix 5561
     Radio/Dialer: Data Link Group Model: SRM 6000
     TVSS: Northern Technologies
     Ethernet Switch: N-Trox 508TX, Pro Soft
     Power Supply: Allen-Bradley 1756-PA75RA Redundant Power Supply
     24 Volt Power: Omron S82K-24024T Power Pack
     Uninterruptible Power Supply (UPS): Toshiba Model: 1000

   - **Sun City Festival Ranch Service Area:**
     PLC: Allen-Bradley Panel View Plus 600
     Logic: Allen- Bradley Logix 5555
     Radio/Dialer: Data Link Group Model: SRM 6000
     TVSS: Northern Technologies

Ethernet Switch: Net Gear Auto 10/100, Cisco System Catalyst 2940
Power Supply: Allen-Bradley 1756-PA75RA Redundant Power Supply
24 Volt Power: Omron S82K-24024T Power Pack
Uninterruptible Power Supply (UPS): Toshiba Model: 1000
Line Monitors: RS232
Controller: C505 Allen-Bradley

- **Old City/Historic Buckeye Service Area:**
  PLC: Allen-Bradley Panel View Plus 1000
  Logic: Allen- Bradley Logix 5561
  Radio/Dialer:
  Ethernet Switch: Weidmuller: Model: IE-SW8-ECO
  Uninterruptible Power Supply (UPS): Toshiba Model: 1000

- **North Airport Road Equipment**
  MDS-INET-II 900
  Ethernet Switch: Weidmuller: Model: IE-SW8-ECO

- **Rainbow Road Pump Facility**
  Currently not in use but may be at a future date

- **Waste Water Plant Equipment**
  Allen Bradley Contrologix 5563
  Allen Bradley SLC500
  Allen Bradley Panel View 600/1000
  Allen Bradley Micrologix
  Ethernet Switches (Various Makes and Models)
  Fiber Optic (Hardwired from MCCB to MCCA)
  Radio read for new admin to Earl Edgar Park, monitoring a flow meter.
  SCADA Wonderware Software
  Program (Ladder Logic)

- **Software for all sites:**
  Wonderware
  Long Watch Security

5. Maintenance and Support

- Maintenance and Support shall include, but is not limited to the following HMI Equipment Types:

  5. Panel mounted Operator Interface Terminals (Allen Bradley)
  6. Panel mounted HMI touch screen computers
  7. PC based workstations
  8. PC based servers

- Maintenance and Support shall include, but is not limited to, the following PLC and HMI software:

5. Wonderware
6. RS Logix
7. Win911
8. Longwatch

- Maintenance and Support shall include, but is not limited to, the following PLC and HMI Programming Tasks:

8. Software development
9. Database management
10. HMI screen management
11. Set-up of trends and reports
12. System backups
13. System documentation
14. Software Updates

5. Tasks by Category

- **Category One** – Preventative/Corrective maintenance and support of programmable logic controller (PLC) and Human-Machine Interface (HMI) hardware and programming. Tasks and services shall include, but not limited to, the following:

10. PLC and HMI software troubleshooting, testing, debugging and updating

11. PLC and HMI hardware troubleshooting, testing, debugging and updating

12. PLC and HMI hardware set-up, repair, replacement and upgrades.

13. System diagnosis

14. PLC and HMI programming

15. Documentation

16. Training

17. Provided semi-annual maintenance for all Well and booster station software (Wonderware). This includes 5 Water booster stations, 15 Wells within the service areas as well as the related Wastewater Treatment Facilities and lift stations.

18. Provided recommendations and review of control logic for new start up and existing operational equipment for functionality/reliability.

- **Category Two** – Preventative/Corrective maintenance and support of radio data communication. Tasks and services shall include, but no limited to, the following:

    9. Troubleshooting, testing and debugging

    10. System diagnosis

    11. Corrective and preventative maintenance inspection; frequency and deviation

    12. Fault diagnostics

    13. Signal strength measurement and analysis

    14. Radio path analysis, recommendations, and remedial actions

    15. Documentation

    16. Training

- **Category Three** - Preventative/Corrective maintenance and support of security hardware, security interface with SCADA, and PLC and HMI hardware and programming. Tasks and services shall include, but not be limited to, the following:

    h. Troubleshooting, testing and debugging

    i. System diagnostics

    j. Security, PLC and HMI hardware set-up, repair, replacement and upgrades

    k. Interfacing of security hardware and software with PLCs and HMI

    l. PLC and HMI programming

    m. Documentation

    n. Training

11. Locations

Wastewater Treatment Plant		
Facility Name	**Address**	**Service Area**
Buckeye Central WWTP	915 S. 7th Street	Old City
Sundance WRF	21760 W. Watkins Street	Sundance

Festival Ranch WRF	18940 N. 287th Lane	Festival Ranch
Tartesso WRF	31550 W. McDowell Road	Tartesso
Production Wells		
Well Name	**Address**	**Service Area**
Church Well	1006 Eason Avenue	NA
Well # 9	615 Arizona Eastern Avenue	NA
Well # 10	615 Arizona Eastern Avenue	NA
Well # 11	609 N. 4th Street	NA
Well #12	31877 W. Yuma Road	Old City
Well # 13	Future Well	Old City
Well # 14	1945 Power Butte Road	Old City
Well Name	**Address**	**Services Area**
Airport Well	3000 S. Palo Verde	NA
Well Name	**Address**	**Service Area**
Festival Ranch Well # 1	26902 W. Potter	SC Festival Ranch
Festival Ranch Well # 2	20853 N. Desert Vista Blvd.	SC Festival Ranch
Festival Ranch Well # 3	Future Well	NA
Well Name	**Address**	**Service Area**
Sundance Well # 1	2391 S. Dean	Sundance
Sundance Well # 2	1939 S. Dean	Sundance
Sundance Well # 3	22290 W. Durango	Sundance
Sundance Well # 4	21519 W. Yuma Road	Sundance
Sundance Well # 5	Future Well	NA
Sundance Well # 6	Future Well	NA
Sundance Well # 7	1380 S. 220th Lane	Sundance
Sundance Well # 8	1773 S. 215th Drive	Sundance
Sundance Well # 9	22073 W. Tonto Street	Sundance
North Airport Road Well # 1	Airport Road & I10	Sundance
North Airport Road Well # 2	Airport Road & I10	Sundance
Well Name	**Address**	**Service Area**
Tartesso Well # 1	4023 296th Avenue	Tartesso
Tartesso Well # 2	3019 N. Celeborn Drive	Tartesso
Tartesso Well # 3	3004 N. Celeborn Drive	NA
Tartesso WRF	31950 W. McDowell Road	Tartesso
Well Name	**Address**	**Service Area**
Norte Vista Well	Jackrabbit Trail and MC-85	NA
Well Name	**Address**	**Service Area**
Farallon Well # 1	Rooks Road and Southern	NA
Farallon Well # 2	6330 S 262nd Lane	Old City

Booster Pumping Stations		
Station Name	**Address**	**Service Area**
City of Buckeye	615 Arizona Eastern Avenue	Old City
Sundance Booster Pump Station #1	22900 W. Yuma Road	Sundance
Festival Ranch Booster Pump Station #1	20853 N. Desert Vista Blvd.	SC Festival Ranch
Tartesso Booster Pump Station # 1	4023 N. 296th Avenue	Tartesso
Airport Well	3000 S. Palo Verde	NA
North Airport Booster Station	21209 W Palm Valley Way	Sundance

Future SCADA Locations within City Service areas not listed above shall be eligible to participate in this agreement.

12. Response Times

d. Immediate Response – The City may, during the course of this contract, require almost immediate response, due to the sometimes critical nature of the work required. The successful contractor shall be on twenty-four (24) hour call, as required, for any emergency situations that arise. **Contractor shall have provided with their response the 24-hour telephone number for emergency calls.**

e. Critical Failure – Response time requirement of three (3) hours. This includes problems that

   a. Prevent processes or equipment from operating,
   b. Create unsafe conditions
   c. Require personnel to work overtime.

f. Degradation of Service – Response time requirement of twenty-four (24) hours. This includes problems that can be overcome by running processes/equipment in local mode or switching to a back-up system.

13. Access to Equipment

The City shall provide full and free access to the equipment covered herein and use of any machines, attachments, features or other equipment necessary to provide the specified maintenance or support services.

14. Warranty

All equipment supplies under this specification shall be fully guaranteed by the contractor for a minimum period of twelve (12) months from the date of acceptance by the City. Any defects of design, workmanship, or materials

that would result in non-compliance with the contract specification shall be fully corrected by the Contractor (including parts and labor) without cost to the City.

15. Work hours

Under normal conditions, work shall be performed by the Contractor between the hours of 7:00 a.m. and 5:00 p.m. Monday through Friday, except legal holidays. Should service be required at other times, such services shall be furnished at the service rates provided in the fee schedule.

16. Modification of Equipment

The City reserves the right to add or delete equipment as needed. The City also reserves the right to relocate existing equipment if necessary.

EXHIBIT D
TO
SERVICES AGREEMENT
BETWEEN
THE CITY OF BUCKEYE
AND
VERTECH INDUSTRIAL SYSTEM, LLC

[Fee Proposal]

See following pages.

ATTACHMENT A – FEE PROPOSAL

Company Name Vertech Industrial Systems

Pricing shall be provided for the following tasks:

DESCRIPTION	COST
Labor Per Hour 7:00 a.m. to 5:00 p.m. Monday thru Friday	
Type	Rate*
Programmer 3	$130.00
Programmer 2	$120.00
Programmer 1	$110.00
Labor Per Hour Evenings, Night And Weekends	
Type	Rate*
Programmer 3	$130.00
Programmer 2	$120.00
Programmer 1	$110.00
Technicians Level 1	$65.00
Technicians Level 2	$75.00
Technicians Level 3	$90.00
Labor Per Hour Holidays	$ Overtime Rates
Mileage Costs:	$ 1/2 the applicable rate

Travel and Expenses – Travel time is charged from the time our personnel leave the office to the time they arrive on the job site. Travel time is billed at half the applicable rate as defined above. Travel expenses are charged as follows

Cost	Charge
Mileage	GSA Mileage
Materials	Cost plus 20%

Travel Time Cost:	$ 1/2 the applicable rate
Percentage of Discount From Published List Price for Parts:	0 %
Minimum Cost for Service Call, if any:	$ 0 %
Cost for Telephone Support, if any:	$ 0 %

Any other Fees/Costs: Describe, if any: *Overtime will be invoiced 1 ½ times the standard rate on any time accrued over 40 hours per week.	$_____See Description_____

Company Name: Vertech Industrial Systems

Authorized Representative: Robert Simpson

Signed: _____

Title: Business Development Manager

File #: 14-402, **Version:** 1

AWARD OF BID IFB 15-18, AUTHORIZATION TO ENTER INTO AN AGREEMENT AND EXPENDITURE OF FUNDS TO REYES & SONS LANDSCAPING, LLC FOR AQUIFER RECHARGE FACILITY MAINTENANCE SERVICES
Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to award the bid, authorize the City Manager to enter into an agreement, and approve expenditure of funds for aquifer recharge facility maintenance services to Reyes & Sons Landscaping, LLC in an amount not to exceed $194,000 ($38,800 for the initial one year term and $155,200 for up to four one-year extensions).

Background

The Aquifer Recharge Facility is a 40-acre site where reclaimed water replenishes the underground aquifer. Regulatory requirements require chemical-free maintenance in keeping the recharge basins free of vegetative, organic material, and debris to ensure optimum water quality, and efficient water flow.

Analysis

Materials Management issued an Invitation for Bid in August 2014. The lowest responsible bid was received from Reyes & Sons Landscaping, LLC. Initial term of the agreement is for one year. The City Manager, as needed, may extend this agreement for four additional one-year terms.

Community Benefit/Public Involvement

Recharging the aquifer is an essential part of a sustainable approach to maintaining water resources in the City of Glendale.

Budget and Financial Impacts

Total expenditures are not to exceed $194,000 for the term of this agreement. Funding is available in the Fiscal Year 2014-15 Water Services operating budget. Annual budget appropriation thereafter is contingent upon Council approval.

Cost	Fund-Department-Account
$38,800	2360-17170-523600, West Area Plant

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

BID TABULATION SHEET

FINANCE DEPARTMENT/MATERIALS MANAGEMENT

IFB NAME: AQUIFER RECHARGE FACILITY MAINTENANCE SERVICES

IFB NO.: 15-18

DUE DATE: AUGUST 7, 2014

CONTRACT ANALYST: Elmer Garcia

ITEM NO.	DESCRIPTION	UNIT OF MEASURE	ESTIMATED QUANTITY (A)	ARTISTIC LAND MANAGEMENT INC. UNIT PRICE (B)	ARTISTIC LAND MANAGEMENT INC. EXTENDED PRICE (A X B)	REYES & SONS LANDSCAPING LLC UNIT PRICE (B)	REYES & SONS LANDSCAPING LLC EXTENDED PRICE (A X B)
5.1	Weekly maintenance of Aquifer Recharge Facility (ARF) as per Specifications	Month	12	$2,195.00	$26,340.00	$1,900.00	$22,800.00
5.2	Ripping and Scraping of basins in the months of June, August, November and March as per	Visit	4	$2,695.00	$10,780.00	$3,500.00	$14,000.00
	Subtotal (Items 5.1 and 5.2)				$37,120.00		$36,800.00
5.3	Erosion Control as per Specifications	Per Hour	40	$21.00	$840.00	$25.00	$1,000.00
5.4	Use of Labor and Heavy Equipment as per Specifications	Per Hour	40	$57.00	$2,280.00	$25.00	$1,000.00
	Subtotal (Items 5.3 and 5.4)				$3,120.00		$2,000.00
	GRAND TOTAL (Items 5.1 through 5.4)				**$40,240.00**		**$38,800.00**

Award Determination:

Two offers were received in response to IFB 15-18. Award is recommended to REYES & SONS LANDSCAPING LLC based on the following criteria:

1. It is deemed to be the lowest responsible and responsive bidder whose bid conforms in all material respect to the requirements and criteria set forth in the Invitation for Bids.

AGREEMENT FOR
AQUIFER RECHARGE FACILITY MAINTENANCE
City of Glendale Solicitation No. IFB 15-18

This Agreement for Aquifer Recharge Facility Maintenance ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Reyes & Sons Landscaping LLC, an Arizona limited liability company, authorized to do business in Arizona, (the "Contractor"), as of the _____ day of _____, 2014.

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**, pursuant to Solicitation No. IFB 15-18 (the "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 attached hereto;

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. Key Personnel; Sub-contractors.

1.1 Services. Contractor will provide all services 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 or consultants, retained by City.

1.2 Project Team.

a. Project Manager.

(1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, 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;

(2) The City must approve the designated Project Manager; and

(3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.

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. Discharge, Reassign, Replacement.

(1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in the response to the Project's solicitation.

(2) Contractor will not discharge, reassign or 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 Contractor, in which event the substitute must first be approved in writing by City.

(3) Contractor 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. 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 services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

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 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 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, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").

b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, 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, 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 Work Product.

a. Ownership. Upon receipt of payment for services furnished, Contractor grants to City, and will cause its Sub-contractors 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) Contractor 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. Contractor 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 Contractor, the City agrees to indemnify and hold Contractor harmless from any claim arising out of the Work Product.

(3) In such case, City shall also remove any seal and title block from the Work Product.

4. Compensation for the Project.

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed $38,800.00, as specifically detailed in **Exhibit B** (the "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.

a. Adjustments to the 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 Contractor 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.

5. Billings and Payment.

5.1 Applications.

a. 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 or as specified in the solicitation.

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.

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 30 days following the date of delivery.

a. Contractor will be equitably compensated for Service and Repair 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, in accordance with the provision of § 5.

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 of more than $1,000,000 or the amount of this Agreement, whichever is greater.

7. 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.

8. Insurance.

8.1 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 referred to herein as the "Contractor's Policies"), until each Party's 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 for each property damage and contractual property damage.

(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, 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. 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.

f. 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 the Agreement.

g. Other Contractors or Vendors.

(1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.

(2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).

h. Policies. Except with respect to workers' compensation and employer's 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 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 the Required Insurance whenever requested.

8.3 Indemnification.

a. To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.

c. Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

9.2 Any breach of warranty under subsection 9.1 above 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 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 9.1 above.

9.4 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 9.1 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.

9.5 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.

9.6 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.

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); and

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 service 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; and

e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

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

Roberto Reyes
c/o Reyes & Sons Landscaping LLC
2917 N. 29th Street
Phoenix, AZ 85016

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 Craig Johnson, P.E., Director, Water Services
7070 W. Northern Avenue
Glendale, Arizona 85301
623-930-4177

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 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.

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 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. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums and 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. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

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 deemed reformed to conform to 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 (1)-year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional four (4) years in one-year increments, renewable on an annual basis. Contractor 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 and will be a determining factor in the decision whether to renew. There are no automatic renewals of this Agreement.

14. **Dispute Resolution.** Each claim, controversy and dispute (each a "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

(Signatures appear on the following page.)

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

City of Glendale,
an Arizona municipal corporation

By: Brenda S. Fischer
Its: City Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

Reyes & Sons Landscaping L.L.C,
a Limited Liability Company

By:
Its: Agent

EXHIBIT A

AQUIFER RECHARGE FACILITY MAINTENANCE

IFB 15-18

PROJECT

[See attached]

Exhibit A- SCOPE OF WORK

Aquifer Recharge Facility

Specified Services:

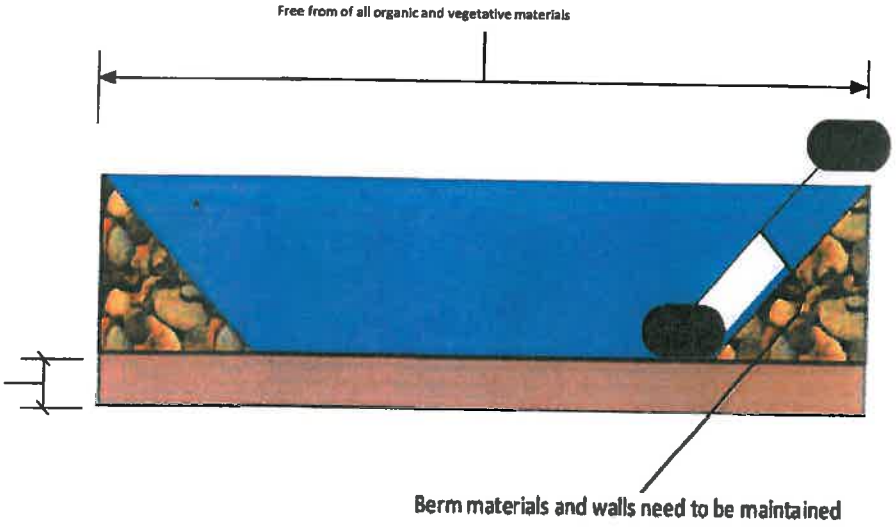
- Weekly maintenance of Aquifer Recharge Facility (ARF) as per specification
- Ripping and scraping of basins in the months of June, August, November, and March as per specification

Additional charges for services and heavy equipment when needed by the city

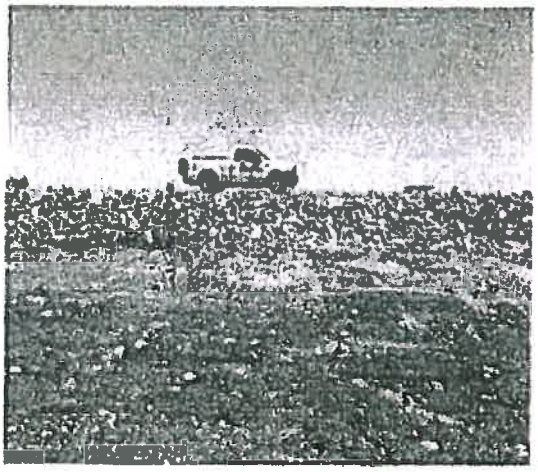
- Erosion Control as per specifications
- Use of Labor and Heavy Equipment as per specification

Exhibit A.1

The blue area in the image below is to be free of all vegetative materials.



Berm materials and walls need to be maintained to prevent corrosion



Company Name Reyes & Sons Landscaping LLC

EXHIBIT B

AQUIFER RECHARGE FACILITY MAINTENANCE

IFB 15-18

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Award of IFB 15-18 for maintenance services in an amount not to exceed $38,800 annually.

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 $38,800.00.

DETAILED PROJECT COMPENSATION

See attached exhibit.

Exhibit B COMPENSATION

Per attached IFP 15-18, based upon the following approved work schedule including detailed compensation including additional work as-needed. The total amount of compensation paid to the contractor for full completion of all work required must not exceed $38,800 annually for Water Services Department.

5.0 PRICE SHEET

Item No.	Description	**Amount Per Month**	**Unit of Measure**	**Estimated Quantities**	**Estimated Total Annual Expense**
5.1	Weekly maintenance of Aquifer Recharge Facility (ARF) as per specification	$1,900/Month	Month	12	$22,800
5.2	Ripping and scraping of basins in the months of June, August, November, and March as per specification	$3,500/Visit	Visit	4	$14,000
				Grand Total (Items 5.1 to 5.2)	**$36,800**

Additional Charges for Services and Heavy Equipment When Needed by the City			
Item No.	Description	Unit of Measure	Unit Price
5.3	Erosion Control as per specifications	Per Hour	$25/Hour
5.4	Use of Labor and Heavy Equipment as per specification	Per Hour	$25/Hour

(Estimated amounts do not include taxes)

EXHIBIT C

AQUIFER RECHARGE FACILITY MAINTENANCE

IFB 15-18

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 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, 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, 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.

File #: 14-403, **Version:** 1

AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH PRIMATECH L.L.C. FOR PHASE IV OF THE WASTEWATER COLLECTION SYSTEM AND MANHOLE REHABILITATION PROJECT
Staff Contact: Craig Johnson, P.E., 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 Primatech, L.L.C. in an amount not to exceed $754,437 for design services pertaining to the Phase IV Wastewater Collection System and Manhole Rehabilitation project.

Background

The city's wastewater collection system consists of over 707 miles of pipes, 14,400 manholes and cleanouts designed to transport wastewater to treatment facilities. The Phase IV of this project includes design services for thirteen sites that are in need of repair and rehabilitation to ensure continued compliance with existing regulations, decrease maintenance issues, and extend the life of the system. Staff prioritized the thirteen sites based on current conditions, and system age.

Water Services will return to City Council at a future date to amend this contract for construction administration services during the construction phase.

Analysis

Proactive rehabilitation and replacement efforts minimize maintenance issues, and assist with maintaining the integrity of the collection system. This project is part of an on-going proactive preventive maintenance effort to maintain the operational reliability of the city's wastewater collection system in accordance with the City's comprehensive Sewer Evaluation and Master Plan.

A Request for Proposals was advertised in March 2014 and four submittals were received on April 11, 2014. Primatech, L.L.C. was selected as the best qualified firm by a selection committee composed of Water Services, Engineering, and external industry personnel.

Previous Related Council Action

On June 10, 2014, Council authorized the City Manager to enter into an agreement with Dibble and Associates Consulting Engineers, Inc. (Phase III) to provide design and construction administration services to rehabilitate several aging sewer lines and manholes as part of the on-going rehabilitation efforts of the city's wastewater collection sewer system.

On February 8, 2011, Council authorized the City Manager to enter an agreement with Achen-Gardner Engineering, LLC (Phase I & II) to provide construction services as part of the on-going rehabilitation efforts of the city's wastewater collection system.

On November 24, 2009, Council authorized the City Manager to enter into two professional services agreements with Project Engineering Consultants (Phase I) and Brown & Caldwell (Phase II) for design and construction administration services for the on-going rehabilitation efforts of the city's wastewater collection system.

Community Benefit/Public Involvement

Benefits to be realized from the project includes; maintaining the integrity of the wastewater collection system, minimizing service interruptions, ensures continued compliance with environmental regulations and decreases traffic disruptions caused by maintenance crews.

Budget and Financial Impacts

Funds are available in the Water Services FY 2014-15 Capital Improvement Project account.

Cost	Fund-Department-Account
$754,437	2420-63016-550800, Sewer Line Replacement

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

C-

PROFESSIONAL SERVICES AGREEMENT

SEWER & MANHOLE REHABILITATION PHASE IV

PROJECT NO. 131419

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Primatech, L.L.C., an Arizona limited liability company, ("Consultant") as of the _____ day of _____, 2014 ("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 $754,437.00 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.

(i) 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:

Primatech, LLC
Shi-En Shiau, P.E., Principal
4640 East McDowell Road, Suite 100
Phoenix, AZ 85008

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, P.E., Principal Engineer
5850 West Glendale Avenue, Suite 315
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 two (2)-year initial period. The City may, at its option and with the approval of the Consultant, extend the term of this Agreement for an additional year, but only for the purpose of allowing the Consultant to complete the Project. 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 S. Fischer
Its: City Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

Primatech, L.L.C.,
an Arizona limited liability company,

By: Shi-En Shiau
Its: Principal

EXHIBIT A
Professional Services Agreement

PROJECT

(Cover Page)

EXHIBIT A
Professional Services Agreement

SEWER & MANHOLE REHABILITATION PHASE IV
DESIGN SERVICES
PROJECT NO. 131419

PROJECT

THE PROJECT

This project is to provide Sanitary Sewer System Evaluation and Design Services for rehabilitating the existing sewer systems at thirteen locations identified by the City of Glendale. Construction Administration services will be performed under a separate contract or amendment to this contract at a later date.

The thirteen locations presented below are not all inclusive and the City reserves the right to add to this list or delete selected sections, as necessary.

1. W. Glenn Dr. / N. 52nd Ave., from MH 23-16-005C to MH 23-16-007, 8" VCP, 1,098 LF.
2. W. Glenn Dr. / N. 52nd Ave., from MH 23-16-011 to MH 23-16-007, 8" VCP, 1,098 LF.
3. W. Butler Dr. / N. 55th Ave., from MH 25-16-021to MH 25-16-020, 8" VCP, 233 LF.
4. W. Butler Dr. / N. 55th Ave., from MH 25-16-020 to MH 25-16-019, 8" VCP, 24 LF.
5. W. Northern Ave. / N. 45th Ave., from MH 25-18-027 to MH 25-18-026, 8" VCP, 180 LF.
6. NW. Grand Ave. / W. Maryland Ave., from MH 22-16-001 to 22-15-007, 8" VCP and DIP, 533' LF.
7. N. 68th Dr. / W. Camelback Rd., from MH 19-12-013 to MH 19-12-006, 8"VCP, 159 LF.
8. 7900-7500 Blk N. 59th Ave., Easement from MH 24-14-035 to MH 24-14-030, 8" VCP, 2,327 LF.
9. W. Maryland Ave. / N. 60th Ave., from MH 22-14-012 to 22-14-004, 8" VCP, 750 LF.
10. N. 78th Dr. / W. Missouri Ave., from MH 20-10-106 to MH 20-10-006. 8" DIP sewer siphon 110 LF.
11. 63rd Ave. / W. Maryland Ave. Manhole from Manhole 22-14-002C to 22-14-059, 8" VCP, 567 L.F.
12. W. Maryland Ave. / Grand Ave. - Grand Ave. Sewer Crossing Abandonment, Sewer Flow Reversal and New Manhole on the west side. In addition, Primatech will prepare - legal descriptions and corresponding exhibits depicting a utility easement for installation of an access manhole on private property for project Number 11. The legal description and exhibit will be sealed by a registered Professional Land Surveyor.
13. N. 63rd Ave./ W. Cholla St from MH 30-13-065 to 30-13-064, 8"-VCP 384 feet

Some of the problems of the sewers at the locations listed above are hydraulic deficiency (sag of sewer pipe), high maintenance, frequent sewer cleaning, occasional sewage overflow, and cracks in the sewer pipes. This project will be performed in three phases. Phase I and Phase II can be performed in parallel to each other, if approved by City of Glendale.

Phase I – Sanitary Sewer Systems Evaluation;

Phase II – Design Services;

Phase III – Construction Administration Services (performed under a separate contract or amendment to this contract at a later date). .

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

(Cover Page)

EXHIBIT B
Professional Services Agreement

SEWER & MANHOLE REHABILITATION PHASE IV
DESIGN SERVICES
PROJECT NO. 131419

SCOPE OF WORK

PHASE I – SANITARY SEWER SYSTEMS EVALUATION

100. PROJECT MEETINGS/MANAGEMENT

101 Project Meeting and Minutes

Primatech shall conduct initial kickoff meeting and subsequent project meetings with the City of Glendale Project Team to discuss the progress, direction and technical aspects of the project. Project documentation will consist of preparing and distributing meeting agendas and minutes, and monthly reports. Meeting minutes will summarize key discussions, comments, decisions, and any action items required. The monthly project reports will summarize the monthly work progress, project issues, and project schedule status. Minutes will be submitted to the City of Glendale within 5 working days of the meetings.

102 Coordination with City Staff

Primatech will assist in the overall coordination of the project with City staff, including Water Services, Engineering, Building Safety, and other departments as necessary to facilitate the project.

103 Coordination with private, public and city utilities

Primatech will coordinate with private, public and City Water Services Department (WSD) regarding utility issues and incorporating pertinent information in the plans.

- Make a request to Blue Stake to acquire a list of utility companies serving the project area
- Submit a project map to all utilities to acquire as-built and/or utility maps
- Submit 30%, 60%and 90% plan to utilities
- Secure "No Conflict" letter and/or relocation plan from each utility company prior to 100% plan submit to Maricopa County Environmental Services Department for "Approval to Construct"

104 Documents retrieval and submission

Primatech will submit and retrieve all required design documents to the various required reviewing agencies.

105 Project Schedule

Primatech will prepare and maintain a project schedule after meeting with the designated City project team to determine appropriate submittal deadlines and to coordinate project submissions.

106 Assisting for permitting

Primatech will assist the City in obtaining all federal, state, county, local and utility permits and approvals required for the Project. As the Project progresses, Primatech shall timely furnish to the City copies of all communications between Primatech and the respective agencies or departments, and all approvals and permits for the Project.

107 Monthly Progress Report

Primatech will submit a written monthly progress report to the City Project Team during the entire period of the project, through both design and construction. Also, Primatech shall submit a monthly project schedule update and status report, as well as a quarterly project cash flow schedule for both design and construction phases. This information will be submitted to City Engineering Administration for the entire period of the project, through both design and construction.

a. Project Schedule: Primatech shall prepare a significant event calendar within fourteen (14) days of the Notice to Proceed (NTP). The initial schedule should show the original start date with initial completion date as a reference. One copy of the original overall schedule with original time line and data dates will be submitted at the project kick-off meeting. Additionally, minimum general time frames for project milestones will be provided. Primatech shall update the schedule monthly to keep it current showing comparison with the Baseline/Target schedule. The updated schedule report will be submitted with the monthly invoice.

b. Invoices: Primatech shall submit a projection of monthly project billings within fourteen (14) days of the Notice to Proceed (NTP). The City will approve the format for invoices. Project invoices, with progress and status reports will be delivered to the City's Project Manager no later than the 25th day of the month. The invoice will identify the contract number and include the amount of each work task and man-hour level of effort and Primatech service identified in the approved fee proposal. The percent complete will be consistent with the project schedule, tasks, and fee proposal per tasks. The total invoice submitted will be less than or equal to the report that details the task percent complete with the associated cost. The invoice will show the amounts previously billed, the amount due for the current period, the project balance and the percent complete per tasks. Primatech shall submit one hard copy invoice to the City Project Manager, City of Glendale Engineering Department, 5850 West Glendale Avenue, Glendale, Arizona 85301.

c. Cash Flow: The cash flow schedule will provide information to the City regarding future funds needed to complete the project. Primatech shall submit the project life cycle cash flow spreadsheet on a quarterly basis. Primatech shall have life cycle design responsibility for the project. Primatech shall collect or estimate the cash flow information from all the parties involved in the project such as design consultants,

engineers, etc. and shall combine this information using the Excel four (4) page workbook provided by the city. Primatech shall complete the applicable four (4)-page workbook and send it electronically to Gloria Olaya (golaya@glendaleaz.com) with the Engineering Department and copy Shuang Huang, WSD at shuang@glendaleaz.com quarterly.

200. DATA REVIEW

201 Data Collection

Primatech shall compile and collect the following items from the City and other sources:

1) As-built drawings of the existing sewer, water and storm drain systems at the defective sewer locations.

2) As-built drawings of the existing 2x9'x9' Box Culverts from the MCFCD.

3) Various reports, including the 2008 Sanitary Sewer Rehabilitation Program from the City.

4) City quarter section maps of the water, sewer and storm drains from the City.

5) Available utility maps and as-built from different utility companies.

6) The City's GIS map of the sewer mains and waterlines from the City.

7) The CCTV and the sewer maintenance records (including sewer overflow).

8) Flow monitoring data/records.

9) Other pertinent information available from the City.

202 Field Investigation

Primatech will conduct field investigations to procure and evaluate the existing field information in order to avoid potential conflicts with construction.

300. SURVEY (COORDINATION AND REVIEW)

301 Topographic Survey

Primatech will prepare a topographic survey according to the City of Glendale standards as documented in the 2002 Design and Construction Standards, Chapter 2. The surveyor shall perform a field survey as necessary in order to prepare a base drawing for the design of the sewer line rehabilitation/replacement and pavement replacement.

The base drawing will be prepared using the City of Glendale draft symbols presented in Standard Detail G-210.

The survey shall be based on the horizontal and vertical controls that are tied to City datum.

The topographic survey shall include, but not be limited to, street monument lines, top and back of curb locations, edges of pavements and sidewalk locations, and shall extend at least 100 feet from the street centerlines to each side of the road.

The survey will extend at least 25 feet beyond the limits of the sewer line segments and will include, but not be limited to the setting of street monument lines, right-of-way, easements, top and back of curb, edge of pavements and sidewalk locations. The survey will also locate all utilities, facilities, significant features and water valve nuts.

The topographic survey should consist of 100' cross sections of site elevations 5' past the existing right-of-way and should include the PC returns of local intercepting streets. In areas where a buffer wall exists, the topographic locations will stop at the wall.

Approved City of Glendale benchmarks shall be used, and temporary benchmarks will be set at intervals not to exceed every 1,000 feet.

Local intercepting street monumentation that is needed for the determination of intermediate lot lines along the streets shall be located and plotted on the base drawing.

Addresses and lot numbers must be shown for each lot.

Existing right-of-ways, easements, view-easements, property lines and dimensions of these shall be clearly indicated on the base drawing.

All existing topography shall be shown. Typically this would include:

1) Existing contours with adequate spot elevations to show drainage.

2) Existing utilities – both above and below ground.

3) Existing irrigation facilities if presented.

4) Adjacent land uses.

5) City limits, where applicable.

6) 100-year floodplain/floodway limits, where applicable.

302 Utility Map

The survey shall also locate visible utilities and other significant features, including the invert elevations of manholes and elevations of water valve nuts. Primatech shall review the survey to ensure compliance with the City's requirements.

All exposed utilities, pipes, ditches, water valves (with valve nut elevations), sewer manholes (with pipe invert elevations), storm water catch basins (with invert elevations), perimeter walls, fences, major trees, vegetation, power poles, street signs, edges of concrete or asphalt concrete pavement, curbs, gutters, sidewalks, driveways and structures shall be located and shown on the base drawing. All surface features shall be called out in the drawing (e.g., "WATER VALVE", "ELECTRIC CABINET", etc.).

All sewer service lines to individual properties at private manhole/cleanout and waterline with water meters and fire lines with fire hydrants along the streets shall be located and shown on the base drawing.

Underground utilities shall be shown on the base drawing per blue-staked locations, as-builts and/or plats available from local municipalities and utility companies, and they shall be verified with field observations. Neither Primatech nor the City will order blue-staking for this survey.

303 Base Map for design

Primatech will prepare and submit survey data in digital dtm format - AutoCAD drawings (AutoCAD Civil 3D 2014 or newer) with separated layers.

400. UTITLITY (COORDINATION AND REVIEW)

401 Utility Coordination

Primatech shall identify and contact all utility companies in the project area. Primatech shall prepare a utility base map, locate all existing utilities, identify potential conflicts, transmit the base maps to utility companies and carefully coordinate with utility companies, using strict follow-up procedures.

402 Utility Potholing

Primatech shall identify the required potholing and prepare a potholing map and potholing request list. The potholing map and list will be submitted to the City Project Manager for approval. Primatech shall review the potholing reports to ensure that all of the requested potholing locations are completed appropriately.

500. GEOTECHNICAL INVESTIGATION

501 Geotechnical Investigation

Primatech shall conduct a geotechnical investigation for the segment as identified for this project and included in the Subconsultant scope of work.

502 Geotechnical Report

If requires, the Geotechnical investigation shall be performed according to City of Glendale standards and requirements. It shall include any boring and testing required along with documentation of the findings and recommendations made, which shall be presented in a Geotechnical Report. This report will provide the geotechnical criteria for the design and construction of the sewer line, including but not limited to trench excavation, backfill requirements and pavement replacement.

600. PUBLIC INFORMATION

601 Public Information

One public information session at the City Hall in the design phase will be conducted, which will be announced through City's web site and/or public announcement channel/media. No door-to-door flyer hanging/handouts are to be conducted.

Primatech/Central creative will draft one project messaging and notice for the public information session.

Comprehensive public information sessions during the construction phase will be conducted and are to be included in the Scope of Work for Construction phase.

Primatech shall prepare information to be used for exhibits for briefing residents including graphics of the new sewer lines; limits of trench operations; restoration details for streets, side walks and any landscaping that may be disturbed during construction and the project schedule.

700. EVALUATION OF EXISTING SEWER CAPACITY

701 Hydrology Model

Primatech will obtain the hydrology model of the study area from the City and determine the design flow rates of the sewer segments to be rehabilitated.

702 Hydraulic Studies of Sewer Segment

Primatech conducts a hydraulic study of the each sewer segment identified for this project to determine if the sewer pipe has sufficient capacity to handle the peak hour flow.

703 Develop Sewer Pipe Rehabilitation Alternatives

Based on the conditions of the sewer pipes, slope, and the hydraulic study, Primatech will develop sewer pipe rehabilitation alternatives.

704 Develop Rehabilitation Alternatives for Missouri/79th Avenue Siphon

- Primatech will prepare a conceptual pipe penetrating the Flood Control District of Maricopa County's (FCDMC) Bethany Home Outfall double 9'x9'box culvert. This option would allow gravity flow via a 16" DIP pipe encased in a 24" Steel pipe and eliminate the defunct siphon.
- Primatech will attend coordination meetings at FCDMC.
- Primatech will prepare hydraulic analysis for FCDMC's review.
- The approval of this alternative requires close coordination between City of Glendale and FCDMC.

750 CCTV DATA REVIEW

- Review CCTV Records.
- CCTV Data Review Report

800. ENGINEERING REPORT

801 Preliminary Engineering Report

Primatech shall prepare a preliminary engineering report, which incorporates the findings, conclusions, and recommendations to the City for review and comments. The City will review the preliminary engineering report and Primatech shall address and incorporate the comments into the final report.

802 Final Engineering Report

Primatech shall prepare a final engineering report based on the comments and recommendations from the City.

PHASE II – DESIGN SERVICES

900. BASIS OF DESIGN REPORT

901 Preliminary Basis of Design Report

A Basis of Design Report will be prepared which presents the detailed design criteria needed to prepare the drawings and specifications, lists the applicable codes and standards, and outlines the required permits and any special design requirements necessary for the project. The City will review the Basis of Design Report and Primatech shall address and incorporate the comments into the final report.

902 Final Basis of Design Report

A Basis of Design Report will be prepared which presents the detailed design criteria needed to prepare the drawings and specifications, lists the applicable codes and standards, and outlines the required permits and any special design requirements necessary for the project. The City will review the Basis of Design Report and Primatech shall address and incorporate the comments into the final report.

1000. DRAWINGS AND SPECIFICATION

Primatech shall prepare the project drawings and specifications. Primatech shall submit the drawings and specifications for review and comment at the 30, 60, 90, 95 and 100 percent complete phases. The drawings will include all drawings as needed to provide a complete project design. The drawings will be prepared on 24 by 36 inch sheets using computer generated drafting AutoCAD (CAD) techniques. The project documents will include the following:

- City of Glendale's "boiler plate" front-end specifications.
- Primatech standard technical specifications.
- Project drawings, including the cover sheet, in standard City format.

1001 30% drawings and specification

Primatech shall submit the contract drawings and specification for the Glendale Water Services and Engineering Departments review and comment at the 30% percent phase for preliminary review and comment.

1002 60% drawings and specification

Agency reviews will include submittal of 60 percent drawings and specifications to Maricopa County Environmental Services Department, Glendale Water Services and Engineering Departments, and other interested agencies requiring approval and/or permits for construction.

1003 90% drawings and specification

Agency reviews will include submittal of 90 percent drawings and specifications to Maricopa County Environmental Services Department, Glendale Water Services and Engineering Departments, and other interested agencies requiring approval and/or permits for construction.

1004 100% drawings and specification

Final contract drawings and specifications will be prepared based upon review comments received from the City and review agencies from the 95% documents. Primatech shall coordinate obtaining all permits required for construction, including assistance in preparing permit applications and providing additional information in support of the project. One reproducible set of the approved bid ready final drawings and specifications will be delivered to the City. Primatech shall also provide the final drawings and specifications on a CD in a format approved by the City.30% drawings and specification.

1100. COST ESTIMATE

1101 30% Cost Estimate

Primatech shall prepare a construction cost estimate at the 30 percent document phases. The estimates will include estimates of quantities and prices appropriate for the various phases and completeness of the work covered by the drawings and specifications.

1102 60% Cost Estimate

Primatech shall prepare a construction cost estimate at the 60 percent document phases. The estimates will include estimates of quantities and prices appropriate for the various phases and completeness of the work covered by the drawings and specifications.

1103 90% Cost Estimate

Primatech shall prepare a construction cost estimate at the 90 percent document phases. The estimates will include estimates of quantities and prices appropriate for the various phases and completeness of the work covered by the drawings and specifications.

1104 100% Cost Estimate

Primatech shall prepare a construction cost estimate at the 100 percent document phases. The

estimates will include estimates of quantities and prices appropriate for the various phases and completeness of the work covered by the drawings and specifications.

1200. BID PHASE

1201 Pre-Bid Conference

Primatech will attend and prepare meeting minutes for the pre-bid conference and any other related meetings, and prepare all necessary addenda related to documents originated by Primatech.

1202 Respond to question and Prepare Addenda

Primatech will respond to questions regarding the plans and specifications. Primatech shall receive, review and make recommendations regarding requests for substitutions, and incorporate these substitution requests into the addenda as required.

1203 Bid Review and Recommendation

If requested by the City, Primatech shall review the submitted bid documents and prepare a recommendation for bid approval.

1300. REIMBURSABLE AND ALLOWANCE

Reimbursable include any fees and direct cost associated with the project such as:

1301 Survey

1302 Geotechnical Investigation

1303 Public Information

1304 Potholing

1305 Lift Station Allowance Alternative: If the Lift Station Alternative is selected, Primatech shall design a complete sewage lift station in addition to the gravity option. The works shall include:

1305.1 Hydraulic analysis, wet well design, mechanical design of wastewater pumps and force main specification and cost estimate. The fee is in addition to base work required for other alternatives.

1305.2 Structural design of wet well.

1305.3 Electrical and P&I control

1306 Reimbursable – printings, deliveries, mileages, supplies (permit fee not included; all permit fees are to be paid by the City directly to permitting agencies)

1307 City Allowance

Allowance items can be only used when approved by the City. Primatech will submit individual invoices for each allowance items.

EXHIBIT C
Professional Services Agreement

SCHEDULE

(Cover Page)

Exhibit C
City of Glendale
City Project Number 131419

PROJECT SCHEDULE

Activity	Duration
Design/Permitting Completion	
Data Review	15
Field Investigation	10
Hydrology/Hydraulics/Rehabilitation Alternatives	40
Engineering Report	10
Basis of Design Report	10
30% Design	30
Glendale Review of 30% Design	10
60% Design	30
Glendale Review of 60% Design	10
90% Plans	30
Final approved Plan / MCESD Permit	15
Total Design Time	210 (Work Days)
Construction	365 (calendar days)

Note: Survey and Geotechnical Investigation run concurrent with the task of Hydrology/Hydraulics/Rehabilitation Alternatives

EXHIBIT D
Professional Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Time and materials; not to exceed the contract amount of $754,437.00.

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 $754,437.00.

DETAILED PROJECT COMPENSATION

See attached.

EXHIBIT D
Professional Services Agreement

CITY OF GLENDALE

SEWER & MANHOLE REHABILITATION PHASE IV
DESIGN SERVICES
PROJECT NO. 131419

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 Primatech Engineering, for full completion of all work required by the Project during the entire term of the Project must not exceed $754,437.

DETAILED PROJECT COMPENSATION
See attached spreadsheets for detail

Wastewater Collection System and Manhole Rehabilitation Phase IV Design and Construction FEE SCHEDULE		
TASK	HOURS	COST
100 - PROJECT MEETINGS/MANAGEMENT	634	$68,021
200 - DATA REVIEW	172	$20,458
300 - SURVEY (Coordination and Review)	240	$25,880
400 - UTILITY (Coordination and Review)	80	$9,548
500 - GEOTECHNICAL INVESTIGATION (Coordination and Review)	32	$4,471
600 - PUBLIC INFORMATION	32	$3,661
700 - EVALUATION OF EXISTING SEWER CAPACITY	938	$112,256
750 – CCTV DATA REVIEW	176	$18,211
800 - ENGINEERING REPORT	160	$19,095
900 - BASIS OF DESIGN REPORT	168	$19,912
1000 - DRAWING AND SPECIFICATION	2,690	$267,509
1100 - COSTING ESTIMATE	162	$20,289
1200 - BID PHASE	56	$7,014
SUBTOTAL (Hours & fee):	**5,540**	**$596,325**

1300 - ALLOWANCES & REIMBURSABLES:	
1301 - Survey (alignment and culture from R/W to R/W, for detail see scope of work)	$40,000
1302 - Geotechnical Investigation (Sewer Segments @ 12 locations)	$8,450
1303 - Public Information (Design Phase Only)	$1,500

1304 - Potholing (12 holes)	$8,450
1305 - Lift Station Alternative Allowance	
1305.1 - Hydraulic Analysis, Mechanical Design, Spec and Cost Estimate (in addition to gravity option)	$11,555
1305.2 - Structural Design	$6,975
1305.3 - Electrical, P&I Control	$27,182
1306 – Reimbursable	$4,000
1307 – City Allowance	$50,000
SUB-TOTAL (Allowances & Reimbursable):	**$158,112**

TOTAL PROJECT COST:	**$754,437**

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.

Legislation Description

File #: 14-406, **Version:** 1

AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH CH2M HILL ENGINEERS, INC. FOR THUNDERBIRD RESERVOIR IMPROVEMENTS

Staff Contact: Craig Johnson, P.E., 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 CH2M Hill Engineers, Inc. to provide design and construction services for improvements to the Thunderbird Reservoir in an amount not to exceed $252,722.

Background

The Thunderbird Park Reservoir is a 12-million gallon drinking water reservoir constructed in 1983. The operation of this reservoir includes components such as drains, pumps, electrical and chemical addition systems, source water lines and security systems.

In 2013, a condition assessment including an underwater inspection indicated the reservoir's liner was in need of replacement. This project includes engineering design and construction services for the replacement of the reservoir liner and related work, as well as conduct water quality, and electrical system upgrade evaluations.

Analysis

Drinking water storage and the ability to provide sufficient water supply for distribution is a key component in ensuring uninterrupted service and reliability. Replacement of the reservoir's liner, water quality and electrical system upgrade evaluations aids in the continued efficient operation of this infrastructure.

CH2M Hill Engineers, Inc. was selected from the pre-qualified Engineering Consultants On-Call List to provide professional services for this project.

Community Benefit/Public Involvement

This project will benefit the community by maintaining adequate storage capacity and uninterrupted water supply to our residential and commercial customers.

Budget and Financial Impacts

Funds are available in the Water Services FY 2014-15 Capital Improvement Project account.

Cost	Fund-Department-Account
$252,722	**2400-61045-550800, Thunderbird Reservoir Misc. Improvements**

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

C-

PROFESSIONAL SERVICES AGREEMENT
Thunderbird Reservoir Improvements
City Project No. 131422

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and CH2M Hill Engineers, Inc., a Delaware corporation, authorized to do business in the State of Arizona,("Consultant") as of the _____ day of _____, 2014 ("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 $252,722.00 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 $1,000,000 per occurrence.

(3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.

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

c. 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:

Ryan Rhoades
1501 W. Fountainhead Parkway, Suite 401
Tempe, AZ 85282

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 Engineering Department
5850 W. Glendale Avenue, Suite 315
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 zero 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 S. Fischer
Its: City Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

CH2M Hill Engineers, Inc.,
a Delaware corporation

By: Tom McLean
Its: Vice President

EXHIBIT A
Professional Services Agreement

PROJECT

(Cover Page)

Exhibit A

Project Description

The 12 Million Gallon (MG) Thunderbird Park Reservoir was constructed in 1983 and is comprised of a hopper bottom, asphaltic cement structure with a Hypalon liner. The reservoir is located within the boundaries of the Thunderbird Conservation Park. The operations system for the reservoir consists of a fill line, underdrain, sump pumps, electrical system, chemical addition, source water line, and security measures. In 2013, a condition assessment of the liner was commissioned by the City of Glendale via an underwater inspection, which indicated that the liner had significant defects. The City concluded that the liner should be replaced. This project will provide engineering design and construction services for replacement of the reservoir liner and related work.

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

(Cover Page)

Exhibit B

Scope of Work

TASK 1 DESIGN SERVICES

TASK 1.1 - PROJECT INITIATION

Upon final execution of the Contract with GLENDALE, CONSULTANT will prepare a project work plan and attend a kickoff meeting with GLENDALE. Up to four staff members from CONSULTANT's team will be present. Meeting will not last longer than 2 hours. The purpose of the meeting is to:

- Introduce key team members from GLENDALE staff and CONSULTANT's team to each other defining roles and responsibilities relative to the Project.
- Identify and review pertinent information and/or documentation necessary from GLENDALE for the completion of the Project.
- Review and explain the overall project goals, general approach, tasks, work plan and procedures and deliverable products of the Project.
- Review and explain the project work plan for all parties present; determine any adjustments or fine tuning that needs to be made to the work.
- Prepare and distribute minutes of the project kick-off meeting.

TASK 1.2 - PROGRESS MEETINGS

It is anticipated that progress meetings will be convened monthly between CONSULTANT, GLENDALE staff and other project stakeholders during design. Such meetings will normally be held at City Hall. These meeting will have duration of no longer than 2 hours and will include up to two staff members from CONSULTANT's team. These meetings will be combined with reviews of deliverables as appropriate. Notes of significant decisions and actions will be distributed by email after the meetings.

TASK 1.3 – RESERVOIR WATER QUALITY EVALUATION

The Thunderbird reservoir currently has a single inlet and outlet and no baffling to prevent short-circuiting of water, which could be cause for a higher water age in parts of the reservoir and contribute to elevated disinfection byproducts in the distribution system. A Solarbee reservoir mixing system is currently installed that provides some noticeable benefits to equalizing water age. GLENDALE would like to identify additional opportunities to reduce disinfection byproduct formation in their distribution system by reducing water age and implementing air stripping technology.

CONSULTANT will meet with GLENDALE to review the reservoir operations strategies and request data. Reservoir fill levels and disinfection byproducts data will be provided by GLENDALE. CONSULTANT will

theoretically evaluate the benefits and costs of improved mixing such as separating the inlet/outlet, baffles, or a hydraulic pump back system. In addition, CONSULTANT will evaluate the benefits and costs of two air stripping technologies: bubble diffusion and surface aeration. The basis of treatability will be reports and feedback gained from interviewing up to 2 utilities identified by CONSULTANT that have pilot or full-scale experience with these technologies. Additional water quality testing may be recommended by CONSULTANT, which will be performed by GLENDALE if desired. The projected electrical loads for new equipment will be considered in the analysis.

A technical memorandum will be developed summarizing the evaluation and recommendations. A meeting will be held with GLENDALE to review the evaluation before finalizing the memorandum. The recommendations for improvements made under this task are assumed not included in the design.

TASK 1.4 – SITE ELECTRICAL UPGRADES EVALUATION

GLENDALE requires an upgraded electrical service to the Thunderbird reservoir site to replace chlorination equipment and install new facilities to improve water quality. CONSULTANT will analyze the current electrical loads for the facility, and any future loads or upgrades to determine the desired future power service. CONSULTANT will contact APS to request power utility maps and to request a meeting to determine the appropriate location of obtain a new power feed and transformer to upgrade service to the site for these future conditions. It is anticipated that power would be obtained from 67th Avenue. CONSULTANT will attend a meeting at the Thunderbird site with APS and with GLENDALE's participation.

CONSULTANT will generally describe the power service needs and proposed routing of service based on this initial coordination in a technical memorandum. The recommendations for power service and routing made under this task are assumed not included in the design.

TASK 1.5 - PRE-DESIGN REPORT

CONSULTANT will assist GLENDALE in identification of critical elements of construction. An evaluation will be conducted to identify design issues relating to functional need, constructability, regulatory codes, and consideration of impacts of the Project on parks use during construction and include the following:

- Significant site considerations during construction including parks use, accessibility, truck routes, and contractor staging areas;
- Evaluation of up to two potential liner systems;
- Feedback from at least one potential liner supplier/contractor to determine lead time and availability of liner materials;
- Applicable permit requirements, code requirements, and Glendale, County, State and Federal requirements;
- Recommended construction duration;

- Conceptual plan, section, and attachment detail for Liner Replacement;
- Initial summary of quantities and conceptual construction cost estimate;
- List of drawings and specification sections.

After completion of site investigation work and items identified above, CONSULTANT will present and review with GLENDALE the Pre-Design Report.

TASK 1.6 –RESERVOIR LINER REPLACEMENT DESIGN

CONSULTANT will prepare 50% Preliminary Design and 90% Final Design Documents on GLENDALE standard sheets using AutoCAD format. Generally the following types of drawings will be developed and submitted appropriate for each design level:

Index sheets and general notes

Location of improvements and contractor laydown areas

Design Plans and Sections

Special details

CONSULTANT will develop technical specifications for the project in CSI 49 Division Specifications format a format with appropriate references to Maricopa Association of Governments (MAG) standard specifications and details.

A complete reproducible set of sealed and signed contract plans necessary to bid and construct the improvements identified in this contract will be provided with submittal of the 100% design. Electronic versions of all plan sheets will be provided in pdf compatible format on compact disk (CD) in CD-R format. Final and complete quantity summaries and CONSULTANT'S construction cost estimate will be provided. All reproduction is to be provided by CONSULTANT and included as a reimbursable cost. CONSULTANT to provide 5 hard copies of each submittal. Drawings submitted will be half size except that final will include one full size set.

TASK 1.7 – DESIGN PERMITTING

CONSULTANT will submit the 100% plans and application for permit to construct to the Maricopa County Environmental Services Department (MCESD). An expense line item of $4000 is included in the fee estimate and GLENDALE will reimburse the CONSULTANT for permit fees required by the County. CONSULTANT will also submit plans to Glendale Development Services for building permits. It is assumed that no fees are associated with Glendale Development Services and the CONSULTANT will not be responsible for additional permit related fees.

TASK 1.8 - COST ESTIMATES

CONSULTANT will prepare detailed quantity summaries and construction cost estimates in CONSULTANT's standard format at the 50%, 90% and 100% design submittals. Allowances for design, bidding or construction, if included in the estimate, are to be shown as individual line items, with the percentage and base of calculation clearly identified.

CONSULTANT will develop the Bid Schedule for all items determined to be pay items for the project. Bid Schedules will be prepared by the CONSULTANT in the CITY's standard format and will be provided at the 90% and 100% Submittals.

TASK 1.9 - BID PHASE SUPPORT

CONSULTANT will conduct a pre-bid conference. CONSULTANT will respond to questions related to the design of the Project and the Contract Documents. The meeting will be up to 2 hours and attended by 2 CONSULTANT staff. CONSULTANT will prepare up to 2 addenda to the bid documents as required and provide to GLENDALE for issuance to bidders. Pre-bid conference notes will be developed and distributed to plan holders via addendum. GLENDALE will perform the bid evaluation including any investigations such as verifying any financial and performance history documentation submitted. GLENDALE will prepare and issue the notice of award and the notice to proceed to the CONTRACTOR. If requested by the CITY, the CONSULTANT will evaluate the submitted bids and provide a recommendation letter.

TASK 2 – SERVICES DURING CONSTRUCTION

CONSULTANT will provide Services during Construction as described herein. CONSULTANT general nature of the work will be to provide construction management services, review of CONTRACTOR's work in accordance with the Contract Documents, and construction close-out. CONSULTANT will not be responsible for the means, methods, techniques, sequences or procedures of the CONTRACTOR.

TASK 2.1 CONSTRUCTION MANAGEMENT

CONSULTANT will provide services to assist in coordinating the site activities, communication, reporting, and administering the contract for construction. CONSULTANT will implement and maintain regular communications with the CONTRACTOR during the construction. CONSULTANT will receive and log all major communications from the CONTRACTOR and will coordinate the communications between GLENDALE and CONTRACTOR. CONSULTANT will not communicate directly with the CONTRACTOR's subcontractors.

2.1.1 Construction Management Manual

CONSULTANT will develop a general work plan that defines CONSULTANT's delivery approach, staffing, responsibilities and project deliverables. CONSULTANT will establish a system and set of procedures for

managing, tracking and storing all relevant documents between the CONTRACTOR, CONSULTANT, and GLENDALE produced during Construction and Closeout phases of the project. CONSULTANT will, in coordination with GLENDALE, maintain hard copy records, suitably organized, of all relevant documentation. CONSULTANT will implement procedures for the logging and tracking of all relevant correspondence and documents to assist GLENDALE in monitoring all outstanding decisions, approvals or responses required from GLENDALE.

2.1.2 Pre-Construction Conference

CONSULTANT will coordinate, conduct and attend one pre-construction conference with the CONTRACTOR and GLENDALE to review the project communication, coordination and other procedures and discuss the CONTRACTOR's Quality Control System. CONSULTANT will lead the meeting and record the results of this conference. Meeting shall last up to 2 hours and shall include 2 members of the project team.

2.1.3 Construction Progress Meetings

CONSULTANT will conduct up to 12 bi-monthly 1 hour progress meeting followed by a 1 hour site visit with the CONTRACTOR, subcontractors as appropriate, and GLENDALE attending. The progress meeting conducted by CONSULTANT will review work progress, progress schedule, quality control, schedule of submittals, application for payment, contract modification, and other matters requiring discussion and resolution. Up to 1 CONSULTANT staff will be in attendance in addition to the inspector that will coordinate the visit with other duties. Meeting notes will be captured in the next week's meeting agenda.

2.1.4 Change Orders and Work Change Directives

CONSULTANT will issue field instructions, orders or similar documents during construction as provided in the contract for construction. CONSULTANT may authorize minor variations in the work which do not involve an adjustment in the CONTRACTOR's contract price nor time for construction and are not inconsistent with the intent of the contract documents. Additionally, CONSULTANT will assist GLENDALE with the issuance of field directives to authorize allowances in the contract for construction. CONSULTANT will also review CONTRACTOR requested changes to the contract for construction. CONSULTANT will make recommendations to GLENDALE regarding the acceptability of the change order and, upon approval of GLENDALE, assist GLENDALE in negotiations of the requested change. Upon agreement and approval, CONSULTANT will assist GLENDALE in preparing final change order documents. Up to 5 work change directives and CONTRACTOR change orders are anticipated.

CONSULTANT will maintain logs regarding the status of field directives, including pending field directives and their amounts. CONSULTANT will also receive, log, and notify GLENDALE about all letters and notices from the CONTRACTOR concerning claims or disputes between the CONTRACTOR and GLENDALE pertaining to the acceptability of the work or the interpretation of the requirements of the contract for construction.

2.1.5 Review of Contractor Application for Payment

CONSULTANT will receive and review the CONTRACTOR's requests for payment and will determine whether the amount requested reflects the progress of the CONTRACTOR's work, and is in accordance with the contract for construction. CONSULTANT also will review the CONTRACTOR's schedule of values at the beginning of construction. CONSULTANT will provide recommendations to GLENDALE as to the acceptability of the requests, in addition will advise GLENDALE as to the status of the total amounts requested, paid, and remaining to be paid under the terms of the contract for construction.

Recommendations by CONSULTANT to GLENDALE for payment will be based upon CONSULTANT's knowledge, information and belief from its observations of the work on site and selected sampling that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by CONSULTANT to ascertain that the CONTRACTOR has completed the work in exact accordance with the contract for construction.

2.1.6 Review of CONTRACTOR's Construction Schedule

CONSULTANT will review the CONTRACTOR's baseline construction schedule and verify that it is consistent with the requirements of the contract for construction. CONSULTANT will also review the CONTRACTOR's monthly schedule updates as submitted with the payment application. CONSULTANT will advise the CONTRACTOR of any areas where the schedule is not in compliance with the contract for construction. CONSULTANT will provide comments to GLENDALE to assist GLENDALE in approving, accepting or taking other action on the CONTRACTOR's schedule, in accordance with the contract for construction. CONSULTANT's review and comments will not be considered as a guarantee or confirmation that the CONTRACTOR will complete the work in accordance with the contract for construction.

2.1.7 Safety

CONSULTANT will manage the health, safety and environmental activities of its staff and the staff of its subcontractors to achieve compliance with applicable health and safety laws and regulations. CONSULTANT will coordinate its health, safety and environmental program with the responsibilities for health, safety and environmental compliance specified in the contract for construction. CONSULTANT will coordinate with responsible parties to correct conditions that do not meet applicable federal, state and local occupational safety and health laws and regulations, when such conditions expose CONSULTANT staff, or staff of CONSULTANT subcontractors, to unsafe conditions.

CONSULTANT will notify affected personnel of any site conditions posing an imminent danger to them which CONSULTANT observes. CONSULTANT is not responsible for health or safety precautions of construction workers, GLENDALE staff, or any other third party. CONSULTANT is not responsible for the CONTRACTOR's, GLENDALE staff, or other third party's compliance with the health and safety requirements in the contract for construction, or with federal, state, and local occupational safety and health laws and regulations.

TASK 2.2 - REVIEW OF CONTRACTOR'S WORK

2.2.1 Construction Inspections

CONSULTANT will conduct periodic on-site observations of the CONTRACTOR's work for the purposes of determining if the work generally conforms to the contract for construction and that the integrity of the design concept as reflected in the contract for construction has been implemented and preserved by the CONTRACTOR. CONSULTANT will not provide a full time Resident Engineer/Inspector. All inspection will be provided on an as needed basis to confirm compliance with the Contract Documents. CONSULTANT will visit the site a minimum of once a week when significant construction activities are in progress.

CONSULTANT shall not, during such visits or as a result of such observations of CONTRACTOR's work in progress, supervise, direct, or have control over CONTRACTOR's work. Nor shall CONSULTANT have authority over or responsibility for the means, methods, techniques, sequences or procedures of construction selected by CONTRACTOR or safety precautions and programs incident to the work of CONTRACTOR or for any failure of CONTRACTOR to comply with laws, rules, regulations, ordinances, codes or orders applicable to CONTRACTOR furnishing and performing work. Accordingly, CONSULTANT can neither guarantee the performance of the construction contracts by CONTRACTOR nor assume responsibility for CONTRACTOR's failure to furnish and perform work in accordance with the Contract Documents. However, if during a milestone inspection, CONSULTANT observes a construction means, method, technique, sequence or procedure which will delay the work or cause a defect in the work, CONSULTANT shall immediately report such information to the CONTRACTOR and GLENDALE.

The inspector will prepare written reports of their observations. The inspector will attend the bi-weekly progress meetings. CONSULTANT's inspection staff will obtain from the CONTRACTOR monthly photographs of the work in progress. CONSULTANT's observation of the work is not an exhaustive observation or inspection of all work performed by the CONTRACTOR. CONSULTANT does not guarantee the performance of the CONTRACTOR. CONSULTANT's observations will not relieve the CONTRACTOR from responsibility for performing the work in accordance with the contract for construction.

CONSULTANT will observe the CONTRACTOR's quality control coordination. Should CONSULTANT discover or believe that any work by the CONTRACTOR is not in accordance with the contract for construction, or is otherwise defective, or not conforming to requirements of the contract or applicable rules and regulations, CONSULTANT will bring this to the attention of the CONTRACTOR's Quality Control Manager and GLENDALE. CONSULTANT will thereupon monitor the CONTRACTOR's corrective actions and will advise GLENDALE as to the acceptability of the corrective actions.

2.2.2 Substantial and Final Completion

CONSULTANT will assist the Owner with inspections at substantial and final completion, in accordance with the contract for construction. CONSULTANT will participate in a substantial completion inspection, prepare a punch-list of items noted during the walk-through, and transmit these to the CONTRACTOR. This inspection will last up to 1 hour with 2 project staff members. CONSULTANT will participate in a final completion inspection, ensure that the substantial completions punch-list items have been

completed, and transmit his final comments to the CONTRACTOR. This inspection will last up to 1 hour with 2 project staff members. CONSULTANT will make recommendations to GLENDALE regarding acceptance of the work based upon the results of the final inspection. CONSULTANT will conduct a subsequent inspection to verify all identified deficient items are completed.

2.2.3 Facility Startup

Start up planning meetings shall be conducted by CONSULTANT in order to facilitate completion and communication of the start-up plan. CONSULTANT will review CONTRACTOR's start up and disinfection plan including review and approval of the Contractor's independent testing agency for performing water quality sampling and testing. CONSULTANT's inspector will witness disinfection performance. Upon receiving water quality test results from the CONTRACTOR, CONSULTANT will review and advise GLENDALE on the acceptance and water quality is met based upon the conformance of bacterial limitations for public drinking water.

TASK 2.3 – ENGINEERING REVIEWS

2.3.1 Submittal Reviews

CONSULTANT will obtain from the CONTRACTOR and review a proposed submittal schedule of shop drawings, project information, shop and mill test results, submittals, and operation and maintenance (O&M) manuals required by the contract for construction, along with the anticipated dates for submission. CONSULTANT will coordinate with the design team for the reviews of the CONTRACTOR's, shop drawings, samples, submittals, and O&Ms in accordance to the contract documents. CONSULTANT's review of all shop drawings, samples and submittals will be for general conformance with the design concept and general compliance with the requirements of the contract for construction. Such review will not relieve the CONTRACTOR from its responsibility for performance in accordance with the contract for construction. Reviewed submittals shall be returned to Contractor for action.

2.3.2 Requests for Information

CONSULTANT will review the CONTRACTOR's requests for information (RFI) or clarification of the contract for construction. CONSULTANT will coordinate such review with the design team and with GLENDALE as appropriate. CONSULTANT will issue, as necessary, written and verbal interpretations and clarifications of the Contract Documents. CONSULTANT will assist GLENDALE in reviewing and responding to the CONTRACTOR's requests for substitution of materials and equipment. CONSULTANT will review such requests and will advise the Owner as to the acceptability of such substitutions.

2.3.3 Specialty Inspections

The CONTRACTOR will provide Quality Control and Quality Assurance for the project per specifications. CONSULTANT will review the reports and other information prepared by the CONTRACTOR's Quality Control Manager. CONSULTANT will not provide material testing to independently verify the quality of the CONTRACTOR's work. Specialty inspections and testing in accordance with Chapter 17 of the IBC are not anticipated for this project.

TASK 2.4 – PROJECT CLOSE-OUT

2.4.1 MCESD Approval of Construction

CONSULTANT will assist GLENDALE with securing the Approval of Construction (AOC) from the Maricopa County Environmental Services Department (MCESD). CONSULTANT will review all Approval to Construct Permit Stipulations and prepare all required documentation, and will submit on behalf of GLENDALE to MCESD. GLENDALE will reimburse CONSULTANT for all permit related fees paid directly to the County.

2.4.2 Close-out Documentation

CONSULTANT will coordinate with the CONTRACTOR for the submission of required warranties, guarantees, lien releases and other similar documents as required by the contract for construction. CONSULTANT will advise GLENDALE as to the acceptability and compliance of these documents with the contract for construction. CONSULTANT will provide to the Owner two organized sets of project documents and records.

2.4.3 Record Drawings

CONSULTANT will coordinate the CONTRACTOR's submittal of construction red lines of drawings, specifications and other record documents in preparation for finalizing record drawings and will transmit these to the Owner. CONSULTANT will review the Contractor's red-lines in the field prior to transmitting to CONSULTANT.

As required by the Contract Documents, CONSULTANT will receive from the Contractor certified red-line construction record drawings. CONSULTANT will prepare the as-built record drawings using information provided on the certified Contractor red-line drawings. The as-built record drawings shall be submitted as follows:

The CONSULTANT will provide one set of record drawings on bond paper and on a computer disk in the appropriate format of ACAD approved by the CITY. The CONSULTANT will provide a second set of record drawings in PDF format. Each drawing sheet shall be presented as a separate PDF file and shall include the seal and signature of the engineer of record in a signature block stating that the record drawings were produced under their supervision. The seal and signature of the engineer of record is not required on the computer disk with the ACAD file.

The record drawing signature block on the cover sheet will be filled out and signed by the appropriate responsible party. Record drawings will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or

exact manner in which the project was finally constructed. CONSULTANT is not responsible for any error or omissions in the information from others that is incorporated into the record drawings.

TASK 3 PROJECT MANAGEMENT SERVICES

TASK 3.1 – PROJECT MANAGEMENT

The purpose of this task is to manage, coordinate and lead CONSULTANT Team's activities. This task includes development and tracking of the project schedule and budget and project team coordination. The general project administration services may include:

- Coordinating with the CITY Project Team during the design of the project.

- Submitting and retrieving all required design documents to the various required reviewing agencies.

- Preparing and maintaining a project schedule after meeting with the designated CITY project manager (referred to as "Project Manager") to determine appropriate submittal deadlines and to coordinate project submissions.

- Assisting the CITY in obtaining all federal, state, county, local and utility permits and approvals required for the Project. As the Project progresses, the CONSULTANT shall timely furnish to the CITY copies of all communications between the CONSULTANT and the respective agency or department and all approvals and permits for the Project.

- Submitting a written monthly progress report to the CITY Project Team during the entire period of the project. Also, the CONSULTANT will be required to submit a monthly project schedule update, as well as a quarterly project cash flow schedule for both design and construction phases. This information will be submitted to CITY Engineering Administration for the entire period of the project, through both design and construction.

- Project Schedule: The CONSULTANT shall prepare a significant event calendar within fourteen (14) days of the Notice to Proceed (NTP). The initial schedule should show the original start date with initial completion date as a reference. One copy of the original overall schedule with original time line and data dates shall be submitted at the project kick-off meeting. Additionally, minimum general time frames for project milestones shall be provided. The CONSULTANT shall update the schedule monthly to keep it current showing comparison with the Baseline/Target schedule. The updated schedule report shall be submitted with the monthly invoice.

- Invoices: The CONSULTANT shall submit a projection of monthly project billings with the fee proposal. The projected billing will be consistent with the project tasks, the project schedule, and the fee proposal. The CITY will provide the format for invoices. Projected invoices, with progress and status reports 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 man-hour level of effort and CONSULTANT service identified in the approved fee proposal. The percent complete shall be determined the project schedule, tasks, and fee proposal per tasks. The total invoice submitted shall be less than or equal to the report that details the task percent complete with the associated cost. The invoice will show the amounts previously billed, the amount due for the current period, the project balance and the percent complete per tasks.

The CONSULTANT shall submit one hard copy invoice to the CITY Project Manager, City of Glendale Engineering Department, 5850 West Glendale Avenue, Glendale, Arizona 85301.

- Cash Flow: The cash flow schedule will provide information to the CITY regarding future funds needed to complete the project. It is the responsibility of the CONSULTANT to submit the project life cycle cash flow spreadsheet on a quarterly basis. Non-response to this requirement could delay payments to the CONSULTANT. The CONSULTANT will have life cycle design and construction administration responsibility for the project.

The CONSULTANT will collect or estimate the cash flow information from all the parties involved in the project (e.g., design consultants, engineers, construction contractors, etc.) and will combine this information using the Excel four (4) page workbook provided to the CONSULTANT by the CITY. The CONSULTANT will need to obtain the cash flow information from the Contractor and coordinate this information into the overall cash flow information. The CONSULTANT will complete the applicable four (4)-page worksheet and send it electronically to Gloria Olaya (golaya@glendaleaz.com)) with the Engineering Department.

EXHIBIT C
Professional Services Agreement

SCHEDULE

(Cover Page)

Exhibit C

Project Schedule

Thunderbird Reservoir Liner Replacement Project Schedule

Task Description	Duration
Pre-design Services	45 days
Design Services	75 days
Prepare Construction Documents/ Bidding Phase	45 days
Construction Services	150 days

It is understood that this schedule may be modified to meet City deadlines and financial requirements.

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 $252,722.00.

DETAILED PROJECT COMPENSATION

See attached.

Exhibit D

Compensation

Fee Compensation		
Task No.	Task Description	Task Fee
1	Design Services	$117,158.00
2	Services During Construction	$93,440.00
3	Project Management Services	$19,124.00
	Subtotal	$229,722.00
	Owner (City of Glendale) Contingency	$23,000.00
	Total Project Cost	$252,722.00

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.

File #: 14-380, **Version:** 1

AUTHORIZATION TO ENTER INTO A CONSTRUCTION AGREEMENT WITH COMBS CONSTRUCTION COMPANY, INC. FOR AIRPORT APRON AND LIGHTING IMPROVEMENTS

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a construction agreement with Combs Construction Company, Inc. in an amount not to exceed $2,237,588.05 for the construction of apron and lighting improvements at the Glendale Municipal Airport (Airport).

Background

The *Airport Master Plan* identifies pavement rehabilitation projects required for the efficient operation and maintenance of the Airport in accordance with federal regulations. In 2010 and 2013, the Arizona Department of Transportation (ADOT) hired engineering companies to evaluate the Airport asphalt apron areas, as required by the Airport's Pavement Maintenance Program. The pavement management reports produced by these firms indicated the asphalt in the 58,000-square-yard center apron area, in front of the terminal building, warrants the most attention.

In July 2014, the city advertised a Notice to Contractors for construction of the apron and lighting improvement project. Engineering received one bid from Combs Construction Company, Inc. in the amount of $2,237,588.05. The city's consultant, C & S Engineers, reviewed the bid documents, which were in accordance with the bidding requirements contained in the specifications. The bid came in below the Engineer's Estimate provided by C & S Engineers, which was attributed to lower-than-anticipated materials costs. The bid was also approved by the Federal Aviation Administration (FAA) and ADOT.

It is recommended that Combs Construction Company, Inc. be awarded this construction project. FAA grant funding has been secured for these improvements and is available in the Fiscal Year 2014-15 Capital Improvement Plan.

Analysis

The FAA has emphasized the priority for federal grant money to be allocated for airport pavement projects. This priority is to protect the long-term investments that have been made to the nationwide airport system.

The Airport asphalt apron areas are in need of rehabilitation and repair. Airport administration has submitted requests for continuous pavement rehabilitation projects in the 2016-2020 Airport Capital Improvement Program, and will work closely with the FAA and ADOT for future project funding.

Previous Related Council Action

On August 12, 2014, Council authorized the City Manager to enter into a grant agreement with the FAA for the center apron asphalt rehabilitation and lighting modification improvements at Glendale Municipal Airport.

Community Benefit/Public Involvement

The Glendale Municipal Airport plays a role in meeting the demand for aviation services in the West Valley and serves as a general aviation reliever airport for Phoenix Sky Harbor International Airport. The apron and lighting improvements will provide for the enhanced safety of our customers and the public. The Airport Administrator provides updates on this and other projects to the Aviation Advisory Commission during their monthly meetings.

Budget and Financial Impacts

Cost	Fund-Department-Account
$2,137,567.86	**2120-79521-550800, Rehabilitate Apron (Includes grant funding of $2,037,547.67 from the FAA and $100,020.19 from ADOT)**
$100,020.19	**2210-65078-550800, Airport Matching Funds (GO Funds)**

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

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C-_____

CONSTRUCTION AGREEMENT

This Construction Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Combs Construction Company, Inc., an Arizona corporation ("Contractor") as of the _____ day of _____, 2014

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 sixty (60) calendar days from and including the date 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 $2,237,588.05, 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 provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.

(C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

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 9.1 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 9.

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:

Steven S. Haws
Combs Construction Company, Inc.
P.O. Box 10789
Glendale, Arizona 85318

(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: Bill Passmore
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 131409 (Apron Rehabilitation and Lighting Improvements)

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

Combs Construction Company, Inc.,
an Arizona corporation

_____
By: Steven S. Haws
Its: President

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

EXHIBIT A
CONSTRUCTION AGREEMENT

PROJECT

This work is for the replacement of approximately 59,000 square yards of existing aircraft asphalt apron area and the reconfiguration and installation of new apron lighting system at the Glendale Municipal Airport.

SCOPE OF WORK:

a. Reconstruct existing apron pavement.

b. Remove existing tie-down anchors and install new anchors in a new configuration.

c. Remove existing apron lights and install new light poles, fixtures, conduit and conductor.

d. Apply new pavement markings.

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 $2,237,588.05.

DETAILED PROJECT COMPENSATION

Per Pages 306 & 307 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.

File #: 14-400, **Version:** 1

AUTHORIZATION TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH C & S ENGINEERS, INC. FOR CONSTRUCTION ADMINISTRATION SERVICES FOR GLENDALE MUNICIPAL AIRPORT IMPROVEMENTS
Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to enter into a professional services agreement with C & S Engineers, Inc. for construction administration services for the Glendale Municipal Airport Apron Rehabilitation and Lighting Improvements project in an amount not to exceed $180,785.

Background

The *Airport Master Plan* identifies pavement rehabilitation projects required for the efficient operation and maintenance of the Airport in accordance with federal regulations. In 2010 and 2013, the Arizona Department of Transportation (ADOT) hired engineering companies to evaluate the Airport asphalt apron areas, as required by the Airport's Pavement Maintenance Program. The pavement management reports produced by these firms indicated the asphalt in the 58,000-square-yard center apron area, in front of the terminal building, warrants the most attention.

In September 2013, Engineering advertised a Request for Proposals for design and construction administration services required for this project. Six proposals were received and the evaluation committee selected C & S Engineers, Inc. as the best qualified firm. In July 2014, C & S Engineers, Inc. completed the design and estimated construction costs, and a Notice to Contractors for construction was issued.

Analysis

The Federal Aviation Administration (FAA) has emphasized the priority for federal grant money to be allocated for airport pavement projects. This priority is to protect the long-term investments that have been made to the nationwide airport system.

The Airport asphalt apron areas are in need of rehabilitation and repair. Airport administration has submitted requests for continuous pavement rehabilitation projects in the 2016-2020 Airport Capital Improvement Program, and will work closely with the FAA and ADOT for future project funding.

Previous Related Council Action

On August 12, 2014, Council authorized the City Manager to enter into a grant agreement with the FAA for the center apron asphalt rehabilitation and lighting modification improvements at Glendale Municipal Airport.

On February 11, 2014, Council authorized the City Manager to enter into a professional services agreement with C & S Engineers, Inc. for the design of the Glendale Municipal Airport Apron Rehabilitation and Lighting Improvements project.

Community Benefit/Public Involvement

The Glendale Municipal Airport plays a role in meeting the demand for aviation services in the West Valley and serves as a general aviation reliever airport for Phoenix Sky Harbor International Airport. The apron and lighting improvements will provide for the enhanced safety of our customers and the public. The Airport Administrator provides updates on this and other projects to the Aviation Advisory Commission during their monthly meetings.

Budget and Financial Impacts

Cost	Fund-Department-Account
$172,704	**2120-79521-550800, Rehabilitate Apron (includes grant funding of $164,623 from the FAA and $8,081 from ADOT)**
$8,081	**2210-65078-550800, Airport Matching Funds (GO Funds)**

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

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C-

PROFESSIONAL SERVICES AGREEMENT

City of Glendale
Airport Apron Rehabilitation and Lighting Improvements

Construction Administration and Inspection Services

Project No. 131409

This Professional Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and C&S Engineers, Inc., a New York corporation, authorized to do business in the State of Arizona,("Consultant") as of the _____ day of _____, 2014 ("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 $180,785 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 $3,000,000 per occurrence and $3,000,000 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 $1,000,000 per occurrence.

(3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.

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

c. 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 $1,000,000 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:

C&S Engineers, Inc.
Lance R. McIntosh, P.E.
9200 E. PIma Center Parkway, Suite 240

Scottsdale, Arizona 85258

With requied copy to:

Legal Department

C&S Enguneers, Inc.

499 Col. Eileen Collins Blvd.

Syracuse, New York 13212

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 William Passmore
Principal Engineer
5850 West Glendale Avenue, Suite 315
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 (1)-year initial period. The City may, at its option and with the approval of the Consultant, extend the term of this Agreement an additional six (6) months, should the Consultant need additional time to complete the contracted work. 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 S. Fischer
Its: City Manager

ATTEST:

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
City Attorney

C&S Engneers, Inc.,,
a New York corporation

By: Lance McIntosh
Its: AZ Department Manager, Aviation Group

EXHIBIT A
Professional Services Agreement

PROJECT

(Cover Page)

EXHIBIT A
Professional Services Agreement

PROJECT DESCRIPTION

Project Title: **131409 Apron Rehabilitation & Lighting Improvements**
Airport Name: **Glendale Municipal Airport**
Services Provided: **Construction Administration & Inspection Services**

The CONSULTANT shall provide the required construction administration and inspection services to construct the Apron Rehabilitation & Lighting Improvements project (the "Project"). The Project will be performed and constructed by the SPONSOR with grant assistance from the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) and the Arizona State Department of Transportation (ADOT).

This project will include rehabilitating approximately 59,000 square yards of existing aircraft parking apron and associated taxilanes in the center ramp area immediately adjacent to the existing terminal building. The existing pavement condition index (PCI) of the project area is approximately 40. Thus, reconstruction of the pavement structural section is required. The project also includes the reconfiguration of the existing apron lighting system and aircraft tie downs.

EXHIBIT B
Professional Services Agreement

SCOPE OF WORK

(Cover Page)

EXHIBIT B
PROFESSIONAL SERVICES AGREEMENT

SCOPE OF WORK

Project Title: **131409 Apron Rehabilitation & Lighting Improvements**
Airport Name: **Glendale Municipal Airport**
Services Provided: **Construction Administration & Inspection Services**

This document is a general scope of work for construction administration and inspection services. Requested services could include assisting City staff with Council presentations, public meetings, and other related public involvement activities. The engineering firm (Consultant) will be a member of a project team that includes, but is not limited to, city staff, on-site inspectors, materials testing technicians, and resident engineers.

SECTION I – PROJECT DESCRIPTION

This project will include rehabilitating approximately 59,000 square yards of existing aircraft parking apron and associated taxilanes in the center ramp area immediately adjacent to the existing terminal building. The existing pavement condition index (PCI) of the project area is approximately 40. Thus, reconstruction of the pavement structural section is required. The project also includes the reconfiguration of the existing apron lighting system and aircraft tie downs.

The City will utilize a qualified Consultant for construction administration/inspection services for this project.

Upon City approval of the construction contract the Consultant will be directed to proceed with construction administration of the project.

SECTION II - SCOPE OF WORK

The following information is a general description of the scope of work that the City may expect the Consultant to perform for this project. The services listed in this scope of work may include, but are not limited to, the following:

A. General project administration services may include:

- Coordinating with the City Project Team during construction of the project.
- Attending project meetings as necessary to maintain the project schedule; chairing periodic regular meetings and any additional meetings as requested by the City; setting agendas and preparing and distributing meeting minutes. Meetings under basic services may include:

    a) Meetings with City staff and contractor(s).
    b) Other meetings as required.

- Assisting the contractor in coordinating with private, public and City utilities.

- Assisting the contractor in obtaining all federal, state, county, local and utility permits and approvals required for the Project.

- Reviewing the contractor's detailed construction phasing plan.

- Invoices: The Consultant shall 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 man-hour level of effort 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 invoice will show the amounts previously billed, the amount due for the current period, the project balance and the percent complete per tasks.

The Consultant shall submit one hard copy invoice to the City Project Manager, City of Glendale Engineering Department, 5850 West Glendale Avenue, Glendale, Arizona 85301.

- Cash Flow: The quarterly cash flow schedule will provide information to the City regarding future funds needed to complete the project. It is the responsibility of the Consultant to submit the project life cycle cash flow spreadsheet on a quarterly basis.

  The Consultant will collect or estimate the cash flow information from all the parties involved with the project (e.g., design consultants, engineers, construction contractors, etc.) and will combine this information using the Excel four (4) page workbook provided to the Consultant by the city. The Consultant will need to obtain the cash flow information from the Contractor and coordinate this information into the overall cash flow information after the construction contract is awarded. The Consultant will complete the applicable four (4)-page worksheet and send it electronically to Gloria Olaya (golaya@glendaleaz.com)) with the Engineering Department. To request an electronic form, address requests to the above. To request by telephone, call 623-930-3630.

B. Construction Services may include: Upon acceptance of the contract award for the construction of this project, the Consultant shall provide construction administration services. The services shall include, but are not necessarily limited to, the following:

1. Preconstruction Conference: Conduct a preconstruction conference with the Contractor, the City and other interested parties prior to issuance of the Notice to Proceed. The Consultant will be required to notify all interested parties and affected utilities of the date and time of the preconstruction conference to be held at the Glendale Municipal Airport or City Hall. In addition to conducting the meeting, the Consultant will take minutes and issue them to all attendees.

2. Quality Acceptance: The Consultant shall provide quality acceptance services to perform inspection and acceptance testing for all items of work required by the contract documents. The Consultant shall monitor construction for compliance with the project plans and specifications.

   The Consultant shall provide an on-site representative to observe construction activities. The on-site representative shall be available for a 100 percent of the contract construction period.

   The Consultant shall bring any deficiencies in the work or materials to the attention of the City and Contractor. Reports of these deficiencies shall be forwarded to the City Project Manager for review. The Consultant will resolve any construction-related problems, conflicts or discrepancies, and will recommend remedial actions, but shall take no action if additional costs are required without the prior approval of the City Project Manager.

   The on-site representative shall be a full-time employee, shall have a minimum of five-year's experience in the engineering and/or construction profession, and shall have had prior quality acceptance experience on a project of comparable size and scope. The on-site representative must be approved by the City.

   The qualifications of the on-site representative shall include at least one of the following requirements:

   - Professional engineer licensed by the State of Arizona, with two years of construction experience acceptable to the City Engineer.
   - An individual with five years of construction experience acceptable to the City Engineer, with a Bachelor of Science Degree in Engineering or Construction.
   - An individual with seven years of construction management experience acceptable to the City Engineer.

   The Consultant shall assist the Contractor in establishing a Contractor Quality Control Program to ensure conformance to applicable specifications and plans with respect to materials, workmanship, construction, finish, and functional performance.

The Quality Control Program shall be effective for control of all construction work performed under the Contract and shall establish an effective level of quality control.

The Consultant shall identify and coordinate with the Contractor all required acceptance material tests require by the City, FAA, ADOT, project specifications and consistent with MAG. The contractor shall schedule and coordinate all required tests and provide all necessary source sampling and factory acceptance tests, results and inspection information to the Consultant for review and comment. It shall be the Consultant's responsibility to provide any additional control assurance tests necessary to verify Contractor's compliance with the project plans and specifications.

3. Construction Schedule Review: The Consultant shall review the construction schedule with particular emphasis on assuring that reasonable time allowances have been made for the work required. The Consultant shall observe construction progress and maintain and issue a monthly construction observation report.

   All updated construction schedules must be reviewed and approved by the Consultant prior to issuance of monthly progress payments to the Contractor. The Consultant shall initiate any required correspondence necessary to assure the Contractor remains on schedule.

4. Schedule Review and Utility Coordination: The Consultant shall review the Contractor's schedule with particular emphasis on insuring that reasonable time allowances have been made for work required by the various utility companies, prior to approval. The Consultant will assist in the resolution of any utility conflicts discovered. The consultant shall initiate any required correspondence to insure that the Contractor remains on schedule.

5. Coordination of Submittal Reviews: The Consultant shall review the contract documents, prepare a list of all required submittals, and provide the schedule to the Contractor. The Consultant shall maintain a submittal log and coordinate all reviews and any necessary resubmittals.

6. Shop Drawing Review: The Consultant shall review and approve all shop drawings. The Consultant will advise the Contractor before the commencement of any work requiring a shop drawing or sample submission if the submission has not been accepted by Consultant.

7. Conduct Project Meetings: The Consultant shall conduct construction project meetings, prepare an agenda and minutes of the meeting, and distribute to all attendees.

8. Value Engineering: The Consultant shall review and make recommendations on any value engineering proposals, which the Contractor may submit during the project. No value engineering proposal shall be implemented without the prior approval of the City Engineer.

9. Control Points: The Consultant will establish and furnish to the Contractor all necessary baselines and control points which will be used as datum for the work. The actual construction staking will be the Contractor's responsibility.

10. Payments: The Consultant shall review the Contractor's initial and updated schedule of estimated monthly payments and advise the City as to acceptability. Review the Contractor's monthly payment requests, and forward to the City for final approval and processing. The Consultant's review shall be for the purpose of making an independent opinion of work completed and mathematical check of the Contractor's payment request. Consultant is responsible for verifying the quantities of work which are the basis of the payment requests. The final monthly pay requests will be approved and processed by the City.

11. Requests for Information: The Consultant shall interpret construction contract documents and respond when requested by the City or Contractor.

12. Change Order Requests: The Consultant shall review and make recommendations on all change order requests from the Contractor. Provide documentation and administer the processing of change orders, including applications for extension of construction time. Evaluate the cost and scheduling aspects of all change orders and, where necessary, negotiate with the Contractor to obtain a fair price for the work. No change order shall be implemented without the prior approval of the City. If requested by the City, the Consultant shall prepare all necessary documents and submittals for City approval.

13. Materials Testing: Materials testing will be the responsibility of the contractor. However, the Consultant shall evaluate and report on tests and test analyses for materials, including concrete, pipe, soil, soil compaction, asphalt, and any other subjects that may be required by the specifications and good construction practices.

14. Substantial Completion: Upon substantial completion, inspect the construction work and prepare a punch-list of those items to be completed or corrected before final completion of the project. Submit results of the inspection to the City and the Contractor.

15. Final Inspection and Payment: The Consultant will maintain a running deficiency list during the course of the project and keep the Contractor informed as to its current status. The Consultant will conduct, with the assistance of the City, a final inspection and prepare a final punch list, including all items remaining on the deficiency list, as well as any additional items discovered during the final inspection. Subsequent inspections should be anticipated in order to insure completion of all identified deficient items.

16. Project Closeout: The Consultant will compile a list of required final submittals, including, but not necessarily limited to: record drawings, warranty and guarantee documents, lien waivers, product manuals, maintenance and operation manuals, and any spare parts and training required to be provided by the Contractor. The Consultant shall review the project closeout documents for final approval.

    - As-Built Drawings: The Consultant shall prepare record as-built drawings of the completed work based upon markups from the Contractor's record drawings and deliver the drawings to the City upon completion of the work. The Consultant will provide one set of record drawings in PDF format and ACAD format on a computer disk (CD). The final record drawing CD(s) will be the property of the City. The CD(s) in PDF format shall include the seal and signature of the engineer of record.

17. One-Year Warranty Inspection: The Consultant will conduct, with the assistance of the City, a one-year warranty inspection. The Consultant will prepare a punch list of deficient items discovered during the one-year inspection. The Consultant should anticipate subsequent inspections in order to insure completion of any identified deficient items discovered during the one-year inspection.

ARIZONA STATE PARTICIPATION

The services to be performed in this Agreement are included in an ADOT Project, which is being undertaken and accomplished by the City and the State of Arizona and pursuant to which the State of Arizona has agreed to pay a certain percentage of the allowable Project costs. The State of Arizona is not a party to this Agreement and no reference in this Agreement to the Commissioner of Transportation or any representative thereof, or to any rights granted to the Commissioner of Transportation or any representative thereof or the State of Arizona by the Agreement, makes the State of Arizona a party to this Agreement.

The Consultant and the Sponsor agree that properly authorized officials of the State of Arizona may from time to time inspect all Project documents for the purpose of insuring compliance with Arizona State laws and protecting the interests of the State of Arizona.

OWNERSHIP OF DOCUMENT

All documents, including original drawings, estimates, specifications, field notes and data which are prepared in the performance of this Agreement are to be and remain the property of the City and are to be delivered to the City before the final payment is made to the Consultant. However, if the Consultant wishes, he may retain reproducible record prints of drawings and copies of other documents. The Consultant shall endorse by his/her professional seal all plans, specifications and engineering data furnished by him/her.

STATE FUNDING REQUIREMENTS

The Consultant agrees to comply with the provisions of the State of Arizona Executive Order 75-5 as amended by Arizona Executive Order 99-4, relating to equal opportunity which is herein incorporated by reference.

AUDIT

The Consultant shall grant the City of Glendale, the ADOT MPD Aeronautics Group, the FAA, or its duly authorized representatives to have access to any books, documents, papers and records of the Consultant which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.

FEDERAL AND STATE CONTRACT PROVISIONS

Civil Rights Act of 1964, Title VI – 49 CFR Part 21

During the performance of this contract, the contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations.** The contractor shall comply with the regulation relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of material and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a programs set forth in Appendix B of the Regulations.

3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment.** In all solicitations, either by competitive bidding or negotiation, made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. **Information and Reports.** The contractor shall provide all information and reports required by the regulation or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such regulations, orders and instructions. Where any information required of a contractor shall so certify to the sponsor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor shall impose such contract sanction as it or the FAA may determine to be appropriate, including but not limited to --

   (a) withholding of payments to the contractor under the contractor under the contract until the contractor complies, and/or
   (b) cancellation, termination, or suspension of the contract, in whole or in part.

6. **Incorporation of Provisions.** The contractor shall include the provisions of paragraphs 1 through 5 in every subcontract, including procurements of materials and leases of equipment, unless exempt by the regulations or directivities issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the sponsor of the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

Disadvantaged Business Enterprise (DBE) Assurances
49 CFR Part 26

1. **Policy.** It is the policy of the Department of Transportation (DOT) that disadvantaged business enterprises, as defined in 49 CFR Part 26, shall have the maximum opportunity to participate in the performance of contracts and subcontracts finances in whole or in part with Federal funds under this agreement.

2. **DBE Obligation.** The contractor agrees to ensure that disadvantaged business enterprises, as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. In this regard, all contractors shall take all necessary and reasonable steps in accordance with 49

CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. Contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT assisted contracts.

Airport and Airway Improvement Act of 1982, Section 520
General Civil Rights Provisions
49 U.S.C. 47123

The contractor assures that it will comply with pertinent statutes, executive orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport a program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this provision binds the contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

Access to Records and Reports
49 CFR Part 18.36(i)

The Contractor shall maintain an acceptable cost accounting system. The Contractor agrees to provide the Sponsor, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

Rights to Inventions
49 CFR Part 18.36(i)(8)

All rights to inventions and materials generated under this contract are subject to regulations issued by the FAA and the Sponsor of the Federal grant under which this contract is executed.

Lobbying and Influencing Federal Employees
49 CFR Part 20, Appendix A

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.

Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Trade Restriction Clause
49 CFR Part 30

The contractor or subcontractor, by submission of an offer and/or execution of a contract, certifies that it:

a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);

b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;

c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a contractor or subcontractor who is unable to certify to the above. If the contractor knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract at no cost to the Government.

Further, the contractor agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in each contract and in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous.

The contractor shall provide immediate written notice to the sponsor if the contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide written notice to the contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor cancellation of the contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

Termination of Contract
49 CFR Part 18.36(i)(2)

a. The Sponsor may, by written notice, terminate this contract in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Sponsor.

b. If the termination is for the convenience of the Sponsor, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

c. If the termination is due to failure to fulfill the contractor's obligations, the Sponsor may take over the work and prosecute the same to completion by contract or otherwise. In such case, the contractor shall be liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.

d. If, after notice of termination for failure to fulfill contract obligations, it is determined that the contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the Sponsor. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.

e. The rights and remedies of the sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

Breach of Contract Terms
49 CFR Part 18.36

Any violation or breach of terms of this contract on the part of the contractor or their subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available there under shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

Davis – Bacon Act Provisions

1. All mechanics and laborers employed or working upon the site of the work will be paid unconditionally and not less often than once a week and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amounts due at time of payment computed at wage rates not less than those contained in the wage determination decision(s) of the Secretary of Labor which is (are) attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics; and the wage determination decision(s) shall be posted by the contractor at the site of the work in a prominent place where it (they) can be easily seen by the workers. For the purpose of this paragraph, contributions made or costs reasonably anticipated under Section 1(b) (2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of Subparagraph 4 below. Also for the purpose of this paragraph, regular contributions made or costs incurred for more than a weekly period under plans, funds, or programs, but covering the particular weekly period, are deemed to be constructively made or incurred during such weekly period [29 CFR 5.5(a)(1)(i)].

2. Any class of laborers or mechanics, including apprentices and trainees, which is not listed in the wage determination(s) and which is to be employed under the contract, shall be classified or reclassified conformably to the wage determination(s), and a report of the action taken shall be sent by the SPONSOR to the FAA for approval and transmittal to the Secretary of Labor. In the event that the interested parties cannot agree on the proper classification or reclassification of a particular class of laborers and mechanics, including apprentices and trainees, to be used, the question accompanied by the recommendation of the FAA shall be referred to the Secretary of Labor for final determination [29 CFR 5.5(a)(1)(ii)].

3. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly wage rate and the contractor is obligated to pay a cash equivalent of such a fringe benefit, an hourly cash equivalent thereof shall be established. In the event the interested parties cannot agree upon a cash equivalent of the fringe benefit, the question accompanied by the recommendation of the FAA shall be referred to the Secretary of Labor for determination [29 CFR 5.5(a) (1)(iii)].

4. If the Contractor does not make payments to a trustee or other third person, he may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the wage determination decision of the Secretary of Labor which is a part of this contract. Provided, however, the Secretary of Labor has found, upon the written request of the Contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

Special Grant Condition

Office of Management and Budget issued Memorandum M-08-03 implementing Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (TVPA) (22 U.S.C. 7104(g)).

TRAFFICKING IN PERSONS:

a. **Provisions applicable to a recipient that is a private entity.**

1. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

ii. Procure a commercial sex act during the period of time that the award is in effect; or

iii. Use forced labor in the performance of the award or subawards under the award.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

The bidder/offeror certifies, by submission of this proposal or acceptance of this contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. It further agrees by submitting this proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts, and subcontracts. Where the bidder/offeror/contractor or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this solicitation/proposal.

EXHIBIT C
Professional Services Agreement

SCHEDULE

(Cover Page)

EXHIBIT C
Professional Services Agreement

SCHEDULE

Project Title:	**131409 Apron Rehabilitation & Lighting Improvements**
Airport Name:	**Glendale Municipal Airport**
Services Provided:	**Construction Administration & Inspection Services**

The contractor awarded the project has sixty (60) consecutive calendar days to complete the project. However, because the schedule is dependent on the contractor's progress the Consultant will be involved until the project is fully accepted and all required documents delivered to the City, FAA and ADOT.

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 $180,785.

DETAILED PROJECT COMPENSATION

See attached.

EXHIBIT D
Professional Services Agreement

COMPENSATION

Project Title: **131409 Apron Rehabilitation & Lighting Improvements**
Airport Name: **Glendale Municipal Airport**
Services Provided: **Construction Administration and Inspection Services**

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 C&S Engineers, Inc., for full completion of all work required by the Project during the entire term of the Project must not exceed **$180,785.00**.

DETAILED PROJECT COMPENSATION
See attached spreadsheets for detail

131409 Apron Rehabilitation & Lighting Improvements Glendale Municipal Airport Construction Administration and Inspection Services Fee Schedule		
PHASE NO./TASK	Hours	COST
402 Pre-Construction Conference	20	$3,150.00
403 Construction Observation	634	$83,960.00
404 Design Support	169	$29,575.00
405 As-Built/Record Drawings	130	$14,950.00
406 Project Closure	100	$14,150.00
791 Quality Assurance Testing Allowance	-------	$35,000
Total Hours:	1,053	
TOTAL PROJECT COST:		**$180,785.00**

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.

File #: 14-397, **Version:** 1

AUTHORIZATION FOR THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH TRUCK REPAIR PHOENIX, LLC FOR LANDFILL HEAVY EQUIPMENT MAINTENANCE AND REPAIR SERVICE
Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into an agreement with Truck Repair Phoenix, LLC in an amount not to exceed $50,000 annually for heavy equipment maintenance and repair services at the city landfill. This request also authorizes the City Manager, at her discretion, to renew the agreement for an additional four years, in one year increments, in an amount not to exceed $250,000 over the full five-year period.

Background

The Glendale Landfill maintains and operates various types of heavy equipment during daily operations including steel-wheel compactors and bulldozers, as well as a scraper, water pull, grader, and multiple tractors. Currently, the landfill utilizes Caterpillar Empire Southwest LLC, as a primary resource to complete complex maintenance and repair activities on landfill heavy equipment. These complex repairs include rebuilds to power trains and/or transmissions and overhauls to engine and drive components. Staff recently identified a lower cost solution which will allow the landfill to utilize a secondary maintenance and repair resource at a much lower hourly rate for assisting with general preventative maintenance and repairs.

Analysis

In August of 2014, the Materials Management Department assisted the landfill management staff with identifying qualified contractors to provide secondary landfill heavy equipment maintenance and repair services through an Invitation for Bid (IFB) process. Two bids were received in response to IFB 15-11, and Truck Repair Phoenix, LLC was determined to be the lowest responsive, responsible offer.

Community Benefit/Public Involvement

The use of outside vendors at the Glendale Landfill supplements internal service capacity; it also allows for appropriate maintenance and equipment repair services to be completed in a timely and cost effective manner as well as for uninterrupted service delivery to the public.

Budget and Financial Impacts

Funding is available in the fiscal year 2014-15 Landfill operating and maintenance budget. Expenditures with Truck Repair Phoenix, LLC are not to exceed $50,000 annually, and in an amount not to exceed $250,000 over

the full five-year term of the agreement based on annual budget approval from Council.

Cost	Fund-Department-Account
$50,000	**2440-17710-516200, Landfill Enterprise Fund**

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

AGREEMENT FOR
SECONDARY LANDFILL HEAVY EQUIPMENT
MAINTENANCE AND REPAIRS
City of Glendale Solicitation No.

This Agreement for Secondary Landfill Heavy Equipment Maintenance and Repairs ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City"), and Truck Repair Phoenix, an Arizona limited liability corporation, authorized to do business in Arizona, (the "Contractor"), as of the _____ day of _____, 2014.

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**, pursuant to Solicitation No. IFB 15-11 (the "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 attached hereto;

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. Key Personnel; Sub-contractors.

1.1 Services. Contractor will provide all services 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 or consultants, retained by City.

1.2 Project Team.

a. Project Manager.

(1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, 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;

(2) The City must approve the designated Project Manager; and

(3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.

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. Discharge, Reassign, Replacement.

(1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in the response to the Project's solicitation.

(2) Contractor will not discharge, reassign or 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 Contractor, in which event the substitute must first be approved in writing by City.

(3) Contractor 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. 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 services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

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 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 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, Contractor will work in close consultation with City to proactively interact with

any other professionals retained by City on the Project ("Coordinating Project Professionals").

b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, 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, 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 Work Product.

a. Ownership. Upon receipt of payment for services furnished, Contractor grants to City, and will cause its Sub-contractors 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) Contractor 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. Contractor 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 Contractor, the City agrees to indemnify and hold Contractor harmless from any claim arising out of the Work Product.

(3) In such case, City shall also remove any seal and title block from the Work Product.

4. Compensation for the Project.

4.1 Compensation. Contractor's compensation for the Project, including those furnished by its Sub-contractors will not exceed $50,000 per fiscal year, or a maximum of $250,000 if the City exercises all renewal options contemplated in Section 13 (Term) of this agreement, as specifically detailed in **Exhibit B** (the "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.

a. Adjustments to the 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 Contractor 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.

5. **Billings and Payment.**

5.1 Applications.

a. 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 or as specified in the solicitation.

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.

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 30 days following the date of delivery.

a. Contractor will be equitably compensated for Service and Repair 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, in accordance with the provision of § 5.

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 of more than $1,000,000 or the amount of this Agreement, whichever is greater.

7. **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.

8. **Insurance.**

8.1 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 referred to herein as the "Contractor's Policies"), until each Party's 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 for each property damage and contractual property damage.

(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, 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. 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.

f. 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 the Agreement.

g. Other Contractors or Vendors.

(1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.

(2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).

h. Policies. Except with respect to workers' compensation and employer's 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 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 the Required Insurance whenever requested.

8.3 Indemnification.

a. To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Sub-contractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.

c. Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

9.2 Any breach of warranty under subsection 9.1 above 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 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 9.1 above.

9.4 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 9.1 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.

9.5 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.

9.6 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.

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); and

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 service 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; and

e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

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

c/o Daniel Honea, CEO
Truck Repair Phoenix, LLC
1025 N. 2ND Avenue
Phoenix, AZ 85003
928-380-4762

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 Ernie Ruiz Jr., Solid Waste Superintendent LF-MRF
6210 W. Myrtle, Suite 111
Glendale, Arizona 85301
623-930-4722

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 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.

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 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. The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums and 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. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

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 deemed reformed to conform to 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 (1)-year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional four (4) years in one-year increments, renewable on an annual basis. Contractor 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 and will be a determining factor in the decision regarding renewal. There are no automatic renewals of this Agreement.

14. Dispute Resolution. Each claim, controversy and dispute (each a "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

(Signatures appear on the following page.)

The parties enter into this Agreement as of the effective 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

Truck Repairs Phoenix, LLC,
an Arizona limited liability corportaion

By: Daniel Honea
Its: Chief Executive Officer

EXHIBIT A

IFB 15-11

PROJECT

[See attached]

EXHIBIT A

CITY OF GLENDALE MATERIALS MANAGEMENT INVITATION FOR BIDS

SOLICITATION NUMBER: **IFB 15-11**

DESCRIPTION: **SECONDARY LANDFILL HEAVY EQUIPMENT MAINTENANCE & SERVICE**

OFFER DUE DATE AND TIME: **AUGUST 21, 2014, AT 2:00 P.M. LOCAL TIME**

Offers for the materials or services specified shall be received by the City of Glendale, Materials Management at the specified due date, time and location. Offers received by the correct time and date will be opened and the name of each bidder and the amount of the bid will be publicly read.

SUBMITTAL LOCATION:

City of Glendale
Materials Management
5850 West Glendale Avenue, Suite 317
Glendale, Arizona 85301

Offers must be in the actual possession of Materials Management on or prior to the time and date, and at the location indicated above. Materials Management is located on the 3rd floor of the Glendale Municipal Office Complex (City Hall) behind the Engineering Department. Offers are accepted from the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, unless otherwise indicated for a holiday. All offers will be time stamped at the Engineering Department's front counter. Late offers will not be considered.

Offers must be submitted in a sealed envelope with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope. **See Paragraph 2.3 for additional instructions for preparing an offer.**

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION PRIOR TO SUBMITTING THEIR BIDS.

For questions regarding this solicitation, please contact:
Elmer Garcia, CPPB
Contract Analyst
623-930-2866
Egarcia1@glendaleaz.com

GLENDALE	**Solicitation Number: IFB 15-11** **SECONDARY LANDFILL HEAVY EQUIPMENT MAINTENANCE & SERVICE**	**CITY OF GLENDALE** **Materials Management** **5850 West Glendale Avenue, Suite 317** **Glendale, Arizona 85301**

1.0 SPECIFICATIONS

1.1 INTRODUCTION

1.1.1 The City of Glendale ("City") intends to enter into a contract with a qualified Contractor to conduct regular preventative maintenance services to the City's heavy duty landfill equipment. All work specified shall be completed under the direction and satisfaction of the Landfill Operations.

1.2 SCOPE OF WORK

1.2.1 All materials and supplies will be provided by the City necessary to perform the secondary preventative maintenance services.

1.2.2 Secondary preventative maintenance services and inspections shall be conducted on, but not limited to, the following equipment: Caterpillar D8T, Caterpillar D9R, Caterpillar Scarper 637G, Caterpillar Loader 950G, Caterpillar Compactor 836H, Caterpillar Water Pull 730, Caterpillar Motor Grader 12M2 and Aljon Compactor 91K..

1.2.3 The City Landfill Operations reserves the right to amend the list of heavy equipment when deemed necessary.

1.2.4 Maintenance services and inspections shall be completed as requested and in accordance with manufacturer's recommendations and warranty requirements.

1.2.5 Contractor must provide an estimate of cost and timeframe for work before any repairs/maintenance service shall be performed on any City Landfill equipment.

1.2.6 Contractor turnaround time for standard repairs and maintenance shall be 24 hours. If Contractor is unable to meet reasonable turnaround time for critical-use equipment, the City reserves the right to outsource the work to another vendor and deduct the cost from the Contractor's invoice.

1.2.7 Contractor must provide a minimum of 6 months warranty for labor services provided to the City.

1.2.8 If parts and supplies are not provided by the city. The contractor replacement parts shall be priced based on percentage markup. If no receipt is provided by the Contractor, the City will pay market price for the replacement parts.

1.2.9 Maintenance services and inspections shall be performed onsite at the City of Glendale Landfill located at 11480 W. Glendale Avenue, Glendale, AZ 85307.

1.2.10 Travel charges will be allowable for technician on-site trips. However, the City will not pay travel charges for technician if work is performed off-site at the Contractor's location.

1.3 CONTRACTOR REQUIREMENTS

1.3.1 The Contractor shall have at least five (5) years of experience in providing landfill heavy equipment maintenance services.

1.3.2 Contractor shall have certified heavy equipment technician on staff to perform heavy equipment maintenance services for the City.

1.3.3 The Contractor shall maintain in current status all Federal, State, County and Local licenses and permits required to operate the Contractor's business.

1.3.4 The Contractor shall comply with Occupational Safety and Health Administration (OSHA) standards during the performance of all contracted services.

1.3.5 Contractor must have operational vehicles and equipment capable of performing maintenance service on weekends and after business hours.

1.3.6 Contractor must have means of moving/hauling City heavy equipment to Contractor's location if on-site repair is not possible.

1.3.7 Contractor should be available on NORMAL BUSINESS HOURS (Monday through Friday, 5:00 AM to 4:00 PM), AFTER BUSINESS HOURS and weekends. The City observes the following holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving and Christmas.

1.3.8 Contractor shall return calls for service within two (2) hours during NORMAL BUSINESS HOURS and shall respond to request for service within 24 hours. Contractor shall also respond to service after our service calls within (24) hours.

1.3.9 The Contractor shall have a 24-hour contact telephone for emergency services.

1.3.10 No work shall be performed by Contractor without prior approval of the Landfill Supervisor and/or Sr. Mechanic Specialist.

1.3.11 In the absence of the City Landfill mechanic and when requested by Landfill Operations, the Contractor must be available to perform onsite maintenance services full-time for an interval of one or two weeks.

1.3.12 All of the Contractor's materials, techniques and processes used for this contract shall comply with all Federal, State, local laws, regulations, permits, standards and ordinances pertaining to health, safety and environmental protection.

1.3.13 The Contractor's failure to comply with Federal, State and local laws shall be sufficient grounds for non-payment and immediate termination of contract.

1.4 HAZARD AND SAFETY REPORTING

1.4.1 The City through its designees, reserves the right to issue immediate restraints or cease or desist orders to Contractor when unsafe or harmful acts are observed or reported relative to the performance of the work under the contract.

1.4.2 The Contractor shall report immediately to the Landfill Supervisor, or designee, all hazardous conditions in the City contract areas.

1.5 SERVICE ADDITIONS/INTERRUPTIONS/END OF CONTRACT CONDITIONS

1.5.1 The City reserves the right to add or delete necessary services and equipment during the contract period.

1.5.2 In the event of such a substitution or deletion of service areas, the City will give the Contractor 10-days notice prior to date of discontinuance of maintenance services and responsibilities.

1.5.4 The Contractor shall not be compensated for the loss of work due to deletions or substitutions.

1.5.5 In the event the City and the Contractor cannot agree on additional service charges, the City reserves the right to perform the additional services with City personnel, or other outside contract services.

1.6 WORK REPORT

1.6.1 The Contractor should prepare a written summary report covering the maintenance activities along with invoices for payment and submit these documents to the Landfill Supervisor, or designee in a timely basis.

1.7 WASTE

1.7.1 The Contractor, at his expense, shall remove and dispose waste products and debris resulting from onsite service in compliance with Federal, State, County and City laws and regulations. Contractor should factor in the environmental fees in their contract price.

1.8 DEFICIENCIES IN WORK, PENALTIES AND REMEDIES

1.8.1 When damages to City property occurs as a result of Contractor's negligence, the City will arrange for repairs to be made and the costs for making repairs to the areas will be deducted from final payments to the Contractor.

1.8.2 In the event the Contractor's performance does not meet one or more of the performance standards described herein, the Contractor will be given written notice setting forth the deficiencies to be corrected to the Landfill Supervisor's approval.

1.8.3 In the event the Contractor has been notified of a deficiency and the deficiency is not corrected, Landfill Operations may perform the services using city personnel or by a separate contract. The cost for follow-up inspections and of the services performed may be deducted from the Contractor's monthly invoice.

1.8.4 Failure to correct the deficiency within a reasonable timeframe may result in termination of the contract for default.

2.0 SPECIAL TERMS AND CONDITIONS

2.1 **INCORPORATION BY REFERENCE** All responses shall incorporate by reference the Specifications, terms and conditions, general instructions and conditions and any attachments. The Standard Terms and Conditions applicable to this solicitation are posted on the Internet. They are available for review and download at the City's Materials Management Internet home page, www.glendaleaz.com/purchasing. Offerors are advised to review all provisions of the General Instructions and Conditions for this solicitation.

2.2 **RETURN OF OFFER** **One (1) original copy of the proposal response and one (1) flash drive or CD-ROM containing all original documents shall be submitted. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided."**

The Offeror shall complete all sections of the IFB in the format and spaces provided. If additional space is needed than what is given, enter "See attachment for detail."

2.3 **PREPARATION OF OFFER PACKAGE** The following items shall be completed and returned. Failure to include all the items may result in an offer being rejected. Offer packages shall be submitted in the following order:

- **2.3.1 OFFER SHEET**, Section 4.0
- **2.3.2 PRICE SHEET**, Section 5.0
- **2.3.3 SOLICITATION ADDENDUM**, (if applicable).
- **2.3.4 SPECIFICATIONS AND ADDITIONAL SUBMISSION REQUIREMENTS**, Section 1.0 and 3.0.

2.4 **ALTERNATE OFFERS/EXCEPTIONS** Offers submitted as alternates, or on the basis of exceptions to specific conditions of purchase and/or required specifications, must be submitted as an attachment referencing the specific paragraph number(s) and adequately defining the alternate or exception submitted. Detailed product brochures and/or technical literature, suitable for evaluation, must be submitted with the offer. If no exceptions are taken, City will expect and require complete compliance with the specifications and all conditions of purchase.

2.5 **EVALUATION CRITERIA** Invitation for Bids are awarded to the lowest responsible and responsive bidder whose bid conforms in all material respect to the requirements and criteria set forth in the Invitation for Bids.

2.6 **INQUIRIES** Any question related to the Invitation for Bid shall be directed to the Contract Officer whose name appears above. A Contractor shall not contact or ask

questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Contractors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate IFB page and paragraph number. An envelope containing questions should be identified as such; otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the IFB will be binding.

2.7 **PRICE** All prices quoted shall be firm and fixed for the specified contract period. All pricing shall be firm for the initial term of one (1) year and include all freight, insurance, warranty and any other associated direct or indirect costs, except taxes. The City shall not be invoiced at prices higher than those stated in any contract resulting from this bid.

The Contractor certifies that the prices offered are no higher than the lowest price the Contractor charges other buyers for similar quantities under similar conditions. The Contractor further agrees that any reductions in the price of the goods or services covered by this bid and occurring after award will apply to the undelivered balance. The Contractor shall promptly notify the City of such price reductions.

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

2.8 **FOB POINT** Prices quoted shall be FOB destination to: City of Glendale.

2.9 **TERM OF AGREEMENT** The initial term of the contract shall be one (1) year upon approval by the City Council.

2.10 **OPTION TO EXTEND** The City may, at its option and with the approval of the Contractor, extend the term of this agreement for four (4) additional years in one (1) year increments based on satisfactory Contractor performance. Contractor shall be notified in writing by the City Materials Manager of the City's intention to extend the contract period at least 30 calendar days prior to the expiration of the original contract period. Price adjustments will only be reviewed during contract renewal.

2.11 **EVALUATION LITERATURE (Not applicable)**

2.12 **INSURANCE** Contractor, performing as an independent contractor hereunder, shall be fully responsible for providing Workers' Compensation or other applicable insurance coverage for itself and its employees and the City shall have no responsibility of liability for such insurance coverage.

Contractor shall provide to the City a copy of the policy or a certification by the insurance carrier along with the applicable endorsements showing the Contractor to have in effect during the term of this contract, a General Liability Insurance policy, which shall be the primary coverage for Contractor activities under this contract. The coverage limits of such insurance shall not be less than those listed below.

The insurance company issuing the policy required above shall have an AM Best financial rating of "A- VII" or better and be authorized by the State of Arizona Department of Insurance to transact business within the State. **The certificate and policy shall name the City, its officers, directors, employees, agents and assignees as an additional insured and shall be primary and non-contributory for any insurance and/or self-insurance coverage maintained by the City. The City shall also be an additional insured to the full limits of the liability insurance purchased by the Contractor even if those limits are in excess of those required by this contract.**

The City reserves the right to terminate any Contractor agreement if the Contractor fails to maintain such insurance coverage.

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Contractor must provide certification of insurance and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required below. All certificates and endorsements are to be received and approved by the City within ten (10) calendar days after notification of award. Certification must include: name and address of insurance company; policy number; liability coverage amounts; a statement the policy will not be canceled or failed to be renewed without thirty (30) days written notice to the City.

Certification to be submitted to: Materials Management, 5850 West Glendale Avenue, Suite 317, Glendale, Arizona 85301.

Type of Insurance (Minimum)	Limits of Liability

Workers' Compensation insurance as required by the State of Arizona, with Statutory Limits, and Employers' Liability insurance with a limit of no less than $1,000,000 per accident for bodily injury or disease.

Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than **$2,000,000** per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice **($4,000,000)** the required occurrence limit.

Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **$1,000,000** per accident for bodily injury and property damage.

Additional Insured Verbiage – Applies to Commercial General Liability and Automobile Liability Insurance shall include a separate endorsement (Form CG 20 10 10 or similar) naming the City and it's board members, officials, officers, agents, and employees as additional insured's

Recommended language that your insurance company may use to describe endorsement:
The City of Glendale and its board members, officials, officers, agents, and employees are named as additional insureds under the General and Automobile Liability policies solely for liability arising out of Agreements with **the City of Glendale** and any operations related thereto.

Primary and Non-Contributory – All insurance carried by contractor shall be primary and non-contributory with any insurance carried by **the City of Glendale**. The policy must be endorsed to include this verbiage and evidence of coverage provided with the certificate.

Notice of Cancellation
Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Entity.

Claims Made Policies (note – should be applicable only to professional liability, see below)
If any of the required policies provide claims-made coverage:
1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not replaced ***with another claims-made policy form with a Retroactive Date prior to*** the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of work.

Deductibles and Self-Insured Retentions
Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention

2.13 **NOTICE OF INTENT TO AWARD** Information about the recommended award for this solicitation will be posted on the Internet. The information will be available for review on the City's Materials Management Internet home page www.glendaleaz.com/purchasing immediately after the City has completed its evaluation process of the offers received. If you have any questions, or would like further information about an intended award, contact the contract analyst immediately. Any protest must be submitted to the Materials Manager no later than seven (7) calendar days from the date of posting on the Internet.

2.14 **COOPERATIVE USE OF CONTRACT** This agreement may be extended for use by other governmental agencies and political subdivisions of the State, including all members of SAVE (Strategic Alliance for Volume Expenditures). Any such usage by other entities must be in accord with the ordinances, charter, rules and regulations of the respective entity and the approval of the Contractor and City. For a list of SAVE members, click on the following link: http://www.maricopa.gov/Materials/save.aspx.

2.15 **PERMITS AND LICENSES** The Contractor shall be responsible for determining and securing, at his/her expense, any and all licenses and permits that are required by any statute, ordinance, rule or regulation of any regulatory body having jurisdiction in any manner connected with providing products and services. Such fees shall be included in and are part of the total offer cost. During the term of the contract, the Contractor shall notify the City in writing, within two (2) working days, of any suspension, revocation or renewal.

2.16 **ADDITIONS/DELETIONS OF PRODUCTS OR SERVICES** The City reserves the right to add additional products to this contract when deemed necessary by the City. If this occurs, the Contractor will be requested to submit a negotiable quotation for the additions. Upon approval and authorization by the Materials Manager such additions will be added to and become a part of the contract through properly executed forms.

2.17 **ESTIMATED QUANTITIES** Quantities listed are the City's best estimate and do not obligate the City to order or accept more than City's actual requirements during the period of this agreement as determined by actual needs and availability of appropriated funds. It is expressly understood and agreed that the resulting contract is to supply the City with its complete actual requirements for the contract period, except that the

estimated quantity shown for each quotation item shall not be exceeded by 100 % without the express written approval of the Materials Manager. Any demand or order made by any employee or officer of the City, other than the Materials Manager, for quantities in the excess of the estimated quantities shall be void if the written approval of the Materials Manager was not received prior to the Contractors performance.

2.18 **EMERGENCY BUSINESS SERVICES** During a natural disaster, or homeland security event, there may be a need for the City to access your business for products or services twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year. The need could be for a pick up or a delivery.

For this purpose, a primary and secondary emergency contact name and phone number are required from the Contractor. It is critical to the City that the contactor's emergency contact information remains current. The Materials Management staff member, identified on page 1, is to be contacted by E-mail with any change to a contact name or phone number.

All products or services provided to meet an emergency phone request are to be supplied as per the contract prices, terms and conditions. The Contractor may provide the fee (pricing) for an after-hours emergency opening of the business separate from the Price Sheet (Section 5.0). In general, the order will be placed using a City Procurement Card. The billing is to include the emergency opening fee, if applicable.

2.19 **PUBLIC RECORD** Contractor acknowledges that the City is a public agency and must comply with all Public Records laws. All proposals submitted in response to the Solicitation shall become the property of the City and, subsequent to award recommendation, become a matter of public record available for review pursuant to Arizona Public Records Law.

If a Contractor believes that a specific section of its Proposal response is confidential, that should be withheld from the public record, Contractor shall isolate the pages and mark each page confidential in a specific and clearly labeled section of its Proposal response. The Contractor shall include a written statement as to the basis for considering the marked pages confidential including the specific harm or prejudice if disclosed. The City Materials Management Division will review the material and make a determination as to the confidentiality of any of the information and/or material contained within the Submittal. In the event of a public records request for documents Contractor deems confidential, the City will notify Contractor of the request and if Contractor claims such documents are confidential, it shall be the Contractor's sole responsibility, including sole cost, to take appropriate action, including legal action, to protect such documents.

2.20 **NO CONTACT, NO INFLUENCE DURING THE RFP OR IFB PROCESS** The City is conducting a competitive bidding process for the contract, free from improper influence or lobbying. There shall be no contact concerning this solicitation from Contractors submitting an offer with any member of the City Council, Evaluation Committee Members, or anyone connected with the process for or on behalf of the City. Contact includes direct or indirect contact by the Contractor, its employees, attorneys, lobbyists, surrogates, etc. in an attempt to influence the bidding process.

From the time the RFP or IFB is issued until the expiration of the protest period or the resolution of any protest, whichever is later (the "Black-Out Period"), Contractors, directly or indirectly through others, are restricted from attempting to influence in any manner the decision making process through, including but not limited to, the use of paid media; contacting or lobbying the City Council or City Manager or any other City employee (other than Material Management employees); the use of any media for the purpose of influencing the outcome; or in any other way that could be construed to influence any part of the decision-making process about this RFP or IFB. This provision shall not prohibit a Contractor from petitioning an elected official or engaging in any other protected first amendment activity after the protest period has run or any protest has been resolved, whichever is later.

Violation of this provision will cause the proposal or offer of the Contractor to be found in violation and to be rejected.

2.21 **KEY PERSONNEL** Contractor shall assign specific individuals to the key positions in support of the Contract. Once assigned to work under the Contract, key personnel shall not be removed or replaced without the prior written approval of the City. Upon the replacement of any key personnel, Contractor shall submit the name(s) and qualifications of any new key personnel to the City Contract Administrator or Designee. With the concurrence of the Contract Administrator or Designee, the City shall amend the Contract to reflect the name(s) of any replacement key personnel. Upon any unplanned departure of key personnel, Contractor shall immediately notify the Contract Administrator or Designee.

2.22 **PROCUREMENT CARD ORDERING CAPABILITY** It is the intent of the City to utilize the City's Procurement Card (i.e. MasterCard/Visa/American Express), to place and make payment for orders under this Contract. Offerors without this capability may be considered non-responsive and not eligible for award consideration.

3.0 ADDITIONAL SUBMISSION REQUIREMENTS

3.1 Contractor shall provide three (3) references from companies for whom Contractor has provided similar products/services in the last five years. Include company name, address, phone number, email address, contract person, a description of the products/services provided.

City Of Phoenix
OTR Tire Service Repair/Replace Contract
251 W Washington St
Phoenix, AZ 85003
(602) 262-7181
City Of Phoenix
Lubrication Service Contract (Trash Truck and Landfill Equipment)
251 W Washing St
Phoenix, AZ 85003
(602) 262-7181
CRST Trucking
24 Hr Mobile Repair Service Contract(AZ)
3930 16th Ave SW
Cedar Rapids, Iowa 52406

GLENDALE	**Solicitation Number: IFB 15-11** **SECONDARY LANDFILL HEAVY EQUIPMENT MAINTENANCE & SERVICE**	**CITY OF GLENDALE** **Materials Management** **5850 West Glendale Avenue, Suite 317** **Glendale, Arizona 85301**

4.0 **OFFER SHEET**

4.1 **OFFER** Offeror certifies that they have read, understand, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror also certifies that the prices offered were independently developed without consultation with any of the other Offerors or potential Offerors.

Daniel Honea Authorized Signature	Truck Repair Phx, LLC Company's Legal Name
Daniel Honea Printed Name Address	1025 N 2nd Ave
CEO Title	Phoenix, AZ 85003 City, State & Zip Code
928-380-4762 Telephone Number	info@nttsrepair.com Email Address
info@nttsrepair.com Authorized Signature Email Address	Aug 20, 2014 Date

For questions regarding this offer: (If different from above)

Lloyd Bill Darnell II **Contact Name**	480-236-7286 **Phone Number**	 **Fax Number**

info@nttsrepair.com
Email Address

FEDERAL TAXPAYER ID NUMBER: 80-0914959

Arizona Sales Tax No. 21002962 Tax Rate _____

Offeror certifies it is a: Proprietorship ____ Partnership ____ Corporation X

Minority or woman owned business: Yes _____ No X

GLENDALE	Solicitation Number: IFB 15-11 SECONDARY LANDFILL HEAVY EQUIPMENT MAINTENANCE & SERVICE	CITY OF GLENDALE Materials Management 5850 West Glendale Avenue, Suite 317 Glendale, Arizona 85301

5.0 PRICE SHEET

All prices quoted shall be firm and fixed for the specified contract period. All pricing shall include all freight, insurance, warranty and any other associated direct or indirect costs, except taxes.

Item No.	Description	Unit of Measure	Unit Price
5.1	Standard maintenance services performed during normal business hours (Monday through Friday, 5:00 AM to 4:00 PM) as per Specifications	Per Hour	$ 75.00 /Hour
5.2	Overtime Services (includes weekends and holidays) performed after normal business as per Specifications.	Per Hour	$ 75.00 /Hour
5.3	Travel charges for technician on-site trips (Flat fee per call)	Per Call	$ 0.00 /Call

Other Maintenance-Related Charges		
Description	**Unit of Measure**	**Unit Price**
Towing/hauling charge to and from Contractor's location (Round Trip flat fee)	Round Trip	$ 365.00 /Trip
Percentage markup on parts (Markup based on Manufacturer's List Price)	Percent	5 %

5.5 **TAX AMOUNT** Contractor should not include any use tax or federal tax in their bid price. The City is exempt from the payment of federal excise tax and will add use tax as applicable. For the purpose of determining the lowest cost, the City will not take tax into consideration.

Tax %:_____

5.6 **DELIVERY** All services shall be performed in accordance with the Specifications.

5.7 **PROCUREMENT CARD ORDERING CAPABILITY** Please check the appropriate box.

☒ Yes, I will accept payment under this contract with the Procurement Card.

☐ No, I will not accept payment under this contract with the Procurement Card.

Company Name Truck Repair Phx, LLC

EXHIBIT B

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Compensation shall be Hourly Rate plus reimbursable expenses for Consultant and all Sub-consultants. Documentation including monthly status report must be included with each Payment Application.

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 $50,000 per fiscal year, or a maximum of $250,000 if the City exercises all renewal options contemplated in Section 13 (Term) of this agreement.

DETAILED PROJECT COMPENSATION

Preventative maintenance services and repairs on City of Glendale heavy equipment located at the city landfill.

11480 W. Glendale Avenue, Glendale, AZ 85307

EXHIBIT C

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 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, 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, 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

FINANCE DEPARTMENT/MATERIALS MANAGEMENT
IFB NAME: SECONDARY LANDFILL HEAVY EQUIPMENT MAINT &
IFB NO.: 15-11
DUE DATE: AUGUST 21, 2014
CONTRACT ANALYST: Elmer Garcia

ITEM NO.	DESCRIPTION	UNIT OF MEASURE	ESTIMATED ANNUAL QUANTITY (A)	MAY MACHINERY INC. UNIT PRICE (B)	MAY MACHINERY INC. EXTENDED PRICE (A X B)	TRUCK REPAIR PHOENIX, INC. UNIT PRICE (B)	TRUCK REPAIR PHOENIX, INC. EXTENDED PRICE (A X B)
5.1	Standard maintenance services performed during normal business hours (Monday through Friday, 5:00 AM to 4:00 PM) as per Specifications.	Per Hour	375	$95.00	$35,625.00	$75.00	$28,125.00
5.2	Overtime services (includes weekends and holidays) performed after normal business as per Specifications.	Per Hour	16	$115.00	$1,840.00	$75.00	$1,200.00
5.3	Travel charges for technician on-site trips (Flat fee per call)	Per Call	63	$236.00	$14,868.00	$0.0	$0.00
	Subtotal (Items 5.1 through 5.3)				$52,333.00		$29,325.00
	Other Maintenance-Related Charges						
	Towing/hauling charge to and from Contractor's location (Round Trip flat fee)	Round Trip	1	$236.00	$236.00	$365.00	$365.00
	Subtotal (Towing/Hauling Charge)				$236.00		$365.00
GRAND TOTAL (Item 5.1 through Towing/Hauling)					**$52,569.00**		**$29,690.00**

ITEM NO.	DESCRIPTION	UNIT OF MEASURE	MAXIMUM POINTS		% MARKUP		% MARKUP
	Percentage markup on parts (Markup based on Manufacturer's List Price)	Percent			10%		5%
	Lowest Markup on Parts				5%		5%
	Awarded Points (Lowest Markup on Parts/% Markup Offered X Maximum Points)				50		100
	Total Score (Percentage Markup on Parts)		**100**		**50**		**100**
TOTAL SCORE (PERCENTAGE MARKUP ON PARTS)					**50**		**100**

AWARD DETERMINATION

Two bids were received in response to IFB 15-11. Award is recommended to TRUCK REPAIR PHOENIX, LLC .

TRUCK REPAIR PHOENIX, LLC is deemed to be the lowest responsible and responsive bidder whose bid conforms in all material respect to the requirements and criteria set forth in the Invitation for Bids.

File #: 14-399, **Version:** 1

AUTHORIZATION TO ENTER INTO AMENDMENT NUMBER FOUR TO EXTEND THE CURRENT CONTRACT WITH SOUTHWEST FABRICATION, LLC

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into Contract Amendment Number Four with Southwest Fabrication, LLC for Bus Shelter Installation and Repair. This amendment extends the term of the agreement from January 1, 2015, through December 31, 2015. Staff also requests that Council authorize the City Manager or designee to renew the agreement upon consent of both parties. All provisions of the original contract and previous amendments shall remain in place, including the Council-approved not-to-exceed amount of $255,000 annually, or $616,250 over the remaining life of the agreement.

Background

The Transit Division entered into the current contract with Southwest Fabrication on May 31, 2011, for the installation and repair of bus shelter furniture and equipment at bus stops throughout Glendale. The original term of the contract was for one year, with five one-year extensions available. With all extensions exercised (one additional one-year extension and one five-month extension), the contract will expire on May 31, 2017.

The original not-to-exceed amount of the contract was $27,000 per year. This amount was enough to maintain and repair normal wear and tear on the bus shelters and furniture deployed throughout the city, as well as repair of occasional damage due to vehicle accidents or storms. Due to budget constraints in past years, staff focused repairs on shelters in the poorest condition, which led to a backlog of more than 100 shelters in need of refurbishment. In January 2014, Council approved an increase to the contract to address that backlog. Since January, 26 regional shelters and one custom shelter have been completed.

Analysis

Currently, there are 170 bus stops throughout the city containing shelters and furniture, along with another 50 locations with benches and trash cans only. This extension will allow for continued service and repair of transit assets that are located throughout the city, as well as the refurbishment of identified shelters. It is estimated that all identified shelters will be refurbished within the next two to three years using available capital funding.

Previous Related Council Action

On January 14, 2014, Council approved Amendment Number Three to the contract with Southwest Fabrication, increasing the not-to-exceed amount from $27,000 to $255,000 annually.

Community Benefit/Public Involvement

Maintaining transit amenities and the regular scheduling of refurbishment of bus shelters and furniture ensures a clean and safe environment for transit users, as well as presenting a professional image of the city. It also prolongs the life of these shelters and amenities and reduces replacement costs over the long term.

Budget and Financial Impacts

Funds for this shelter refurbishment are included in the Bus Stops and Shelters capital budget and the GO Transportation Program Fixed Route operating budget. Expenditures are not to exceed $255,000 annually. Total remaining expenditures are not to exceed $616,250, which include any extensions authorized by the City Manager and based on annual budget approval from Council.

Cost	Fund-Department-Account
$225,000	**2210-65013-550800, Bus Stops and Shelters**
$30,000	**1660-16540-518200, Fixed Route**

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

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AMENDMENT NO. 4

BUS SHELTER INSTALLATION AND REPAIR AGREEMENT (Contract No. 7675)
City of Glendale Solicitation No. 11-46

This Amendment to the Bus Shelter Installation and Repair Agreement is made this 1st day of January, 2015 ("Effective Date"), by and between the City of Glendale, an Arizona municipal corporation ("City") and Southwest Fabrication, LLC, an Arizona corporation authorized to do business in Arizona ("Contractor").

RECITALS

A. City and Contractor previously entered into a Bus Shelter Installation and Repair Agreement, Contract No. 7675, dated May 31, 2011 ("Agreement"); and

B. City and Contractor previously amended the Agreement with Contract Amendment 1 dated March 30, 2012; Contract Amendment 2 dated May 3, 2013; Contract Amendment 3 dated November 19, 2013, and

C. City and Contractor wish to modify and amend the Agreement subject to and strictly in accordance with the terms of this Amendment.

AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Contractor hereby agree as follows:

1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.

2. **Term.** The term of the Agreement is extended for a 1-year period from January 1, 2015 through December 31, 2015 unless otherwise terminated or canceled as provided by the Agreement.

3. **Compensation.** Contractor's compensation shall remain the same as amended under Amendment 3, dated November 19, 2013, and shall not exceed $255,000.00 per year.

4. **Ratification of Agreement.** City and Contractor hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement, then the provisions of this Amendment shall prevail.

CITY OF GLENDALE, an Arizona municipal corporation

Brenda S. Fischer, City Manager

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael Bailey, City Attorney

Southwest Fabrication, LLC, an Arizona corporation

By: KYLE J. PRESLER

Its: CONTROLLER

File #: 14-409, **Version:** 1

AUTHORIZATION FOR A BUDGET APPROPRIATION CONTINGENCY TRANSFER TO CAPITAL PROJECTS BUILDING MAINTENANCE RESERVE FOR VARIOUS CRITICAL OR SAFETY-RELATED REPAIR AND REPLACEMENT PROJECTS AT CITY FACILITIES

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request seeking City Council approval for a budget appropriation transfer from General Fund, Contingency (1000-11901-510200) to General Fund, Capital Projects, Building Maintenance Reserve, Miscellaneous CIP (1000-81013-551000) in the amount of $1,403,552. This request is to fund various critical or safety-related capital repair and replacement projects at city facilities.

Background

The Public Works Department's Facilities Management Division is responsible for completing preventative maintenance, emergency repairs, and capital improvements to over 150 city buildings and over 70 park facilities. Funding is available in the capital improvement program budget to complete capital upgrades and replacements at all city facilities with the majority of the funding allocated historically to the Capital Projects, Building Maintenance Reserve. For several years through the economic downturn, this capital budget was limited at a total amount of $100,000, which typically was only enough to fund immediate system failures or emergency repairs. Therefore, critical capital upgrades and replacement projects were put on hold due to lack of funding.

In fiscal year FY14-15, the Building Maintenance Reserve funding was increased to $500,000. This action required staff to define and prioritize the critical need and safety-related projects that required immediate attention in FY14-15. A total of $1,903,552 in capital projects were identified for critical improvements, replacements, or upgrades in FY14-15, leaving an unfunded deficit in the Building Maintenance Reserve fund of $1,403,552.

Typical projects that are necessary to be completed during this fiscal year represent essential equipment replacement and rehabilitation of facility systems and associated infrastructure. Examples include upgrading the computer room air conditioning system in the public safety building; replacement of cooling towers and HVAC units, energy management system replacements, and roof repairs at several city facilities; and the rewiring of park and parking area lighting in several city parks.

Analysis

As with any type of facility, capital reinvestment is necessary to ensure the structure is operationally sound and that the city asset maintains its value. Additionally, staff will ensure that all capital upgrades and

replacement projects follow city purchasing guidelines.

Funds in the Building Maintenance Reserve account are dedicated for the replacement and rehabilitation of necessary capital equipment and building infrastructure to keep city facilities safe, secure and operational for city business. Without funding and attention to these important projects, service interruptions will occur, there may be staff displacement and additional costs to continue city operations.

This budgetary transfer is consistent with the Cash and Budget Appropriation Transfer Policy approved December 10, 2013, which states contingency budget appropriation transfers can be authorized by Council throughout the fiscal year.

Previous Related Council Action

On June 10, 2014, Council adopted Resolution No. 4812 New Series, formally approving the final operating, capital, debt service, and contingency appropriation budget.

On December 10, 2013, Council adopted Resolution No. 4759 New Series, supporting the Cash and Budget Appropriation Transfer Policy.

Community Benefit/Public Involvement

Proper maintenance and capital repairs/replacement projects to city facilities are necessary for the safety and comfort of all individuals who work at or visit the various facilities. In addition, it is necessary to invest capital dollars in city facilities to maintain their value as assets to the city.

Budget and Financial Impacts

Staff is seeking City Council approval for a budget appropriation transfer from General Fund, Contingency (1000-11901-510200) to General Fund, Capital Projects, Building Maintenance Reserve, Miscellaneous CIP (1000-81013-551000) in the amount of $1,403,552. 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

Budgeted? No

Requesting Budget or Appropriation Transfer? Yes

If yes, where will the transfer be taken from? General Fund, Contingency (1000-11901-510200)

FY14-15 Building Maintenance Capital Repair and Replacement Projects

Item #	Project Description	Priority	Cost Estimate	Notes:	Reserve Fund	Contingency Request FY14-15
1	Main Public Safety Building Data Room - Computer Room Air Conditioning Unit Upgrade and Replacement	Immediate	$489,660	Currently the system is over 20 years old and beyond their serviceable life, and no longer sized adequately for current heat load in the data room. Design costs are estimated at $51,660 and construction costs at $438,000. 50% design completed.	$51,660	$438,000
2	Glendale Municipal Office Complex/ City Hall Cooling Towers	Immediate	$500,000	The structural integrity of this unit is rapidly deteriorating. This is a permanent built-in cooling tower with three cells which requires much more than just a crane to lift units in and out to replace. The funding of $50,000 is for design costs with construction costs estimated at $450,000.		$500,000
3	Foothills Public Safety/Fire Station 155 - Roof Replacement	Immediate	$65,000	Original roof deteriorating with multiple leaks. This roof is beyond repair.	$65,000	
4	Glendale Family Advocacy Center - Move and Tenant Improvements	Immediate	$50,000	Facilities Management Operating Budget will fund $50,000 of tenant improvement; Police Services will fund the remaining amount of $109,300.	$50,000	
5	Glendale Fire Station 157 Veneer Rehabilitation	Immediate	$125,000	Initial Request in August 2013; Safety Concern with falling decorative concrete. Professional service fees of Approximately $50,000 for the concrete molding at Fire Station 157 has been obtained. This covers both design and construction administration. Veneer Re-install is approximately $75,000.	$45,000	$80,000
6	Main Public Safety Building - Cooling Towers (2)	Immediate	$100,000	$32,700 each tower ($65,400 for both towers). Units are 25 years old and beyond their life expectancy. $34,600 for installation.		$100,000
7	Civic Center - Cooling Tower #2	Immediate	$58,200	Cooling tower # 1 has already been replaced. The unit is 20 years old and beyond its life expectancy. Price of the unit is $38,200 and installation cost is $20,000.	$58,200	
8	Main Library - Cooling Tower Fan Variable Frequency Drive	Immediate	$15,000	Variable frequency drive is what ramps up the HVAC fan motors cooling the facility. Life cycle has been exceeded and replacement is necessary.		$15,000
9	Glendale Fire Station No. 158 - Swamp Cooler Replacement	Immediate	$20,000	Deteriorated units. Replace and relocate coolers due to leaking and serviceability issues.	$20,000	
10	Civic Center - Roof Recoating/Resealing	Immediate	$40,000	Resealing the roof is needed to extend its life and defer total replacement.	$40,000	
11	Sahuaro Ranch - Re-wire Parking Lot Lights	Immediate	$45,000	Parking lot lights are completely inoperable. Infrastructure conduits failing and wires are shorting.		$45,000
12	Foothills Public Safety/Fire Station #155 - HVAC Replacements	High	$40,500	Total of 16 HVAC units at this location. Units are over 26 years old and have surpassed serviceable life. Nine units will be replaced in FY14-15 and seven in FY15-16 at a cost of $4,500 per unit.		$40,500
13	Montara Park - Lighting System Cabinet and Control Panel Replacement	High	$25,000	Cabinet and control panel is rusted out.		$25,000
14	City Court Building - Paint, Tile, and Carpet Replacement	High	$75,000	Carpet, tile, ceiling tiles, and painting is needed.		$75,000
15	Prosecutors Trailer - Move and Tennant Improvement	High	$20,000	Move staff from trailer to Public Safety Building and use current trailer for storage. This cost would be for moving personnel and any tenant improvements necessary.		$20,000
16	Glendale Main Library - Carpet Replacement	High	$65,052	Carpet has deteriorated and presents a safety hazard.		$65,052
17	Anticipated Storm Related Roof Repairs	High	$135,140	On-going inspections of multiple city building roofs.	$135,140	
18	Contingency for Emergency Repairs	High	$35,000	This is being held for any unforeseen emergency repairs to City infrastructure.	$35,000	
				Total	**$500,000**	**$1,403,552**

File #: 14-413, **Version:** 1

APPROVAL OF THE FISCAL YEAR 2014-15 GILA RIVER ARENA CAPITAL REPAIRS / REPLACEMENT PROGRAM AND AUTHORIZATION FOR THE CITY MANAGER TO RELEASE ESCROW ACCOUNT FUNDS TO ICEARIZONA MANAGER CO., LP FOR THE FISCAL YEAR 2014-15 GILA RIVER ARENA CAPITAL REPAIRS/ REPLACEMENT PROGRAM

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to approve the fiscal year (FY) 2014-15 Gila River Capital Repairs/ Replacement Program and to authorize the City Manager to release funds, under the terms of the operating agreement for the Gila River Arena, from an escrow account to reimburse IceArizona Manager Co., LP (IceArizona) for the identified capital repairs/ replacement as they are completed throughout the fiscal year, in an amount not to exceed $500,000 in FY 2014-15.

Background

The City of Glendale is the owner of the Gila River Arena (Arena) located at 9400 West Maryland Avenue in the heart of the Sports and Entertainment District. The Arena was built as a state-of-the-art, multi-purpose facility and was opened for business on December 26, 2003. Gila River Arena is home to the National Hockey League's Arizona Coyotes and, in addition, hosts concerts with some of the biggest names in the music industry.

The operating agreement calls for the city to fund a capital repairs/ replacement program for the Arena. Some of the projects identified in the FY 2014-15 Gila River Arena Capital Repairs/ Replacement Program include a video display system replacement for approximately $130,000; upper roof sealing for approximately $120,000; and a radio upgrading project for approximately $100,000. Approximately $50,000 (Final invoice has not yet been submitted) of the FY 2014-15 Gila River Capital Repairs/ Replacement Program allocation has already been spent on the point of sale equipment, as the equipment was deemed necessary for the start of the hockey season. This purchase has been submitted to the city for reimbursement, and should Council approve this requested action, funds will be released from the escrow account to pay for this programmed line-item.

Analysis

As with any type of facility, capital reinvestment is necessary to ensure the structure is operationally sound and that the asset maintains its value.

Under the terms of the agreement with IceArizona, the city is required to fund $500,000 in capital cost per year through FY 2019 and increasing to $1,000,000 per year in FY 2020.

In the past, payments for capital repairs/ replacement to the facility were approved administratively by the City Manager. Last fiscal year City Council did approve the repairs on June 24, 2014. This fiscal year, staff has begun to develop an enhanced relationship with IceArizona in an effort to better oversee the facility and understand its needs to ensure this asset's value in the future.

Staff has worked with IceArizona to agree upon the necessity of the projects outlined in this fiscal year's capital repairs/ replacement program and, with the exception of the point of sale project, presents a program for Council to approve before the projects have been started. In the future, staff expects to bring a total program package before Council before any funds are expended. Additionally, staff will ensure that all capital repairs/ replacement projects follow city purchasing guidelines.

Previous Related Council Action

On June 24, 2014, Council authorized the City Manager to reimburse IceArizona Manager Co., LP the amount of $567,461.93 from the escrow account for capital repairs made to the city-owned Jobing.com Arena in FY 2013-14.

On February 4, 2014, Council was updated on the life-cycle cost information for Jobing.com Arena.

Community Benefit/Public Involvement

Proper maintenance and capital repairs/ replacement programs to the Arena are necessary for the safety and enjoyment of all individuals who work and attend events at this city owned facility. In addition, it is necessary to invest capital dollars in this facility to maintain its value as an asset to the city.

Budget and Financial Impacts

Funds in the amount of $500,000 are in an escrow account and available in FY 2014-15 to be used for payment to IceArizona Manager Co., LP for approved capital repairs/ replacements.

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

Fiscal Year 2014-15 Gila River Arena Capital Repairs/ Replacement Program

(Program not to exceed amount for Fiscal Year 2014-15: $500,000)

Capital Item	Description	Cost
Plumbing – Isolation Valves	For health & safety it is necessary to install an isolation valve on the main domestic cold water loop. This will enable isolation of sections of the building to complete a repair. Currently, repairs require a time-consuming process of draining the entire building system.	Approximately $30,000
Deko/ Chyron Computer	In order to maintain the Arena in accordance with the Arena maintenance standard established in the Professional Management and Services Agreement, the graphics systems must be replaced. The current systems are antiquated and can no longer be maintained. A system outage would result in substantial downtime and a significant diminishment of the value provided to arena patrons, as well as failing to meet standards of a National Hockey League facility.	Approximately $60,000
Daktronics Computer	The Daktronics computers are a key component of the Arena's video display systems, scoring and video board. In order to keep pace with professional sports, promoters and public expectations, it is necessary to provide dependable graphics and video capabilities. The current Daktronics system is no longer supported by the manufacturer. The computers are antiquated and susceptible to repeated failure and crashes. Annual service agreements with Daktronics have been utilized for the past seven years, but due to the age of the systems, Daktronics can no longer guarantee the reliability or availability of replacement and repair parts. In the event of a computer failure and need for replacement, the expected down-time for the systems could be as long as 12 weeks.	Approximately $130,000
Roof Repair/ Replacement	The upper roof (approx. 75,000 sq. ft.) has deteriorated and is leaking. The current state of the roof will cause other damage within the facility and repairs are necessary to avoid future substantial repair costs to other components and the cancellation of events. Power wash and prime membrane, then install 3 coats of acrylic coating to obtain 10 year united coating systems warranty for the upper roof.	Approximately $120,000
IT Point of Sale Switches	Concessions data switching network was at the end of its lifecycle. Replacement of this networking equipment was necessary to assure the current and future points of sale functionality. Additional network cabling runs were necessary to support the system. (This project has already been completed)	Approximately $50,000
Contingency for Emergency Repairs	The current age of facilities equipment and infrastructure make it imperative that a contingency for emergency repairs is available in order to avoid a safety situation that potentially would result in a cancelled event and long term damage to the venue's reputation or additional substantial damage or repair.	Approximately $10,000
Radio Upgrade Project	The current communications effectiveness of the arena for emergency personnel is unacceptable. Presently, emergency personnel cannot communicate from the interior of the arena to the exterior during an emergency event.	Approximately $100,000
	Total	**$500,000**

File #: 14-414, **Version:** 1

APPROVAL OF THE FISCAL YEAR 2014-15 CAMELBACK RANCH SPRING TRAINING FACILITY CAPITAL REPAIRS/ REPLACEMENT PROGRAM AND RATIFICATION OF EXPENDITURES OF FUNDS AND AUTHORIZATION FOR THE CITY MANAGER TO EXPEND FUNDS TO REIMBURSE CAMELBACK SPRING TRAINING, LLC FOR CAPITAL REPAIRS MADE AT CAMELBACK RANCH SPRING TRAINING FACILITY IN FISCAL YEAR 2014-15

Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to approve the fiscal year (FY) 2014-15 Camelback Ranch Capital Repairs/ Replacement Program, and to ratify the expenditure of funds already paid in the amount of $5,763.65 to reimburse Camelback Spring Training, LLC and authorize the City Manager to expend funds in an amount not to exceed $830,988.35 to reimburse Camelback Spring Training, LLC to pay for the remainder of the identified capital repairs/ replacement as they are completed throughout the fiscal year, in an amount not to exceed $836,752 in FY 2014-15.

Background

The City of Glendale is the owner of the Camelback Ranch Spring Training Facility located at 10710 West Camelback Road. This state-of-the-art baseball facility is the spring training home of the Los Angeles Dodgers and the Chicago White Sox. It is located on 125 acres at 111th Avenue west of the loop 101 between Camelback Road and Glendale Avenue. The facility opened in 2009.

The Management and Lease Agreement calls for the city to fund a capital repairs/ replacement program for the city-owned spring training facility. The costs for implementing a capital program is the responsibility of the City of Glendale and the costs for operating and basic maintenance of the facility is the responsibility of Camelback Spring Training, LLC.

Some of the projects included in this fiscal year's capital repairs/ replacements program are exterior wall resealing for approximately $25,000; emergency HVAC/ Electrical/ Plumbing repairs for approximately $158,000; replacement of stadium dugout flooring for approximately $50,000 due to safety issues; and one playing field improvement for approximately $292,000 to meet Major League Baseball standards and is required per the agreement. Some of the repairs/ replacement items totaling $5,763.65 have been already completed due to the safety and emergency nature of the repairs.

Analysis

As with any type of facility, capital reinvestment is necessary to ensure the safety and enjoyment of those who use it. Additionally, as this facility is owned by the City, it is important to maintain the value of the asset with an appropriate capital repair/ replacement program.

Under the terms of the agreement with Camelback Spring Training, LLC, the city is required to establish a Capital Repairs Account for the purpose of accumulating funds for the payment of the cost of Capital Repairs and Facility Upgrades. To this end, funds in the amount of $836,752 are programmed in FY 2014-15 to be used for payment to Camelback Spring Training, LLC for approved capital repairs/ replacements.

In the past, payments for capital repairs/ replacement to the facility were approved administratively by the City Manager. Last fiscal year City Council approved repairs on June 24, 2014. This fiscal year, staff has begun to develop an enhanced relationship with Camelback Spring Training, LLC in an effort to better oversee the facility and understand its needs to ensure this asset's value in the future.

Staff has worked with Camelback Spring Training, LLC to agree upon the necessity of the projects outlined in this fiscal year's capital repairs/ replacement program and, with the exception of the safety items already completed, presents a program for Council to approve before the projects have been started. In the future, staff expects to bring a total program package before Council before any funds are expended. Additionally, staff will ensure that all capital repairs/ replacement projects follow city purchasing guidelines.

Previous Related Council Action

On June 24, 2014, Council ratified the expenditure of funds to Camelback Spring Training, LLC in the amount of $400,253 for capital repairs completed to the city-owned Camelback Ranch Spring Training Facility in FY 2013-14, and authorized the expenditure of funds in the amount of $26,014 to cover the remaining anticipated capital repairs for FY 2013-14.

On February 4, 2014, Council was updated on the life-cycle cost information for Camelback Ranch Spring Training Facility.

Community Benefit/Public Involvement

Proper maintenance and capital repairs/ replacement programs to this stadium are necessary for the safety and enjoyment of all individuals who work and attend events at this city owned facility. In addition, it is necessary to invest capital dollars in this facility to maintain its value as an asset to the city.

Budget and Financial Impacts

Funds in the amount of $836,752 are programmed in FY 2014-15 to be used for payment to Camelback Spring training, LLC for approved capital repairs/ replacements.

Cost	Fund-Department-Account
$836,752	**1283-84200, Camelback Ranch Maintenance Reserve**

Capital Expense? Yes

Budgeted? Yes

powered by Legistar™

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?

powered by Legistar™

Fiscal Year 2014-15 Camelback Ranch Spring Training Facility Capital Repairs/ Replacement Program
(Program not to exceed amount for Fiscal Year 2014-15: $836,752)

Capital Item	Description	Cost
Major Building Exterior Walls Resealed	Los Angeles Dodgers (Dodgers): Metal Panels on fascia have weathered (10,000 sq ft at $2.50 per sq ft)	Approximately 25,000
Ice Machines	(1) Chicago White Sox (Sox) Majors; (1) Dodgers minors: Replacement units and components (C0330 Prodigy)	Approximately $8,000
All Suites – Replace window tracking system	All Building "A" foldable/ sliding windows	Approximately $10,000
Fire System – Battery back ups	Replace panel battery backup ups	Approximately $1,000
HVAC	Replace components and ECRs	Approximately $65,000
Electrical	Replace components and ECRs	Approximately $30,000
Plumbing	Replace components and ECRs	Approximately $63,000
Practice Fields: Repaint Back Stops on all fields	(6) Dodgers Fields at $1,100 each; (2) Sox Fields at $1,100 each and (4) at $1,800 each	Approximately $16,000
Parking Lots: Seal Coating and Stripping	Asphalt - crack seal, re-seal, re-stripe	Approximately $74,000
Unpaved Parking Lots: Grade and Finish	Grade and Finish the Unpaved Parking Lots	Approximately $50,000
Curbing - Painting	Repaint curbing	Approximately $3,000
Stadium Dugout Flooring (patched in 2013)	Replace Dugout Flooring in Stadium	Approximately $50,000
Lenses on Scoreboards (x3)	Exterior lenses of scoreboards have weathered	Approximately $2,500
(4) Batting Cages Netting/25 tunnels	Replace Netting – holes, brittle, cracking	Approximately $46,500
Sox Player Walk-Way (under bridge)	Sox Field Access Tunnel, Sox Exterior Cages, Sox Minor Fields	Approximately $18,000
Electrical Vaults – Fields (behind mounds)	Electrical Vaults behind mounds (15) fields at $400 per field)	Approximately $6,000
Landscape/Trees/Shrubs	Replacement of Trees, Shrubs, etc.	Approximately $10,000
(1) Field Replacement	One Field Replacement (Two allowed by section 8.3.8 of the agreement)	Approximately $291,500
Security Camera System/CCTV	Server, CPU, System, Software, etc.	Approximately $16,000
Camera Replacement	Replace cameras	Approximately $2,000
APS – UPS Back ups	Replace Power Backup/scoreboard and security system	Approximately $5,000
Security – Software House panels	Replace panel battery back ups	Approximately $1,000
IT Rack – enclosure / HVAC unit	IT Rack in Building G needs enclosure (Air condition space)	Approximately $4,000
Lake Station Pumps	PM Pump, Master Valves Rebuild, etc.	Approximately $20,000
Irrigation - ECRs	Control Valves, Ball Valves, Air Release Valves, Heads, etc.	Approximately $12,000
Canopy Cover – Lake Pump Station	Canopy 15 x 30 shade cover to protect lake pumps, controls, equipment, etc.	Approximately $6,500
	Total	**Approximately $837,000**

Legislation Description

File #: 14-391, **Version:** 1

AUTHORIZATION TO ENTER INTO A TEMPORARY LICENSE AGREEMENT WITH SPRINT SPECTRUM REALTY COMPANY, L.P. FOR THE INSTALLATION OF A MOBILE CELL SITE LOCATED AT GRAND CANAL LINEAR PARK
Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to execute a temporary license agreement between the City of Glendale and Sprint Spectrum Realty Company, L.P., dba Sprint Spectrum, for the installation of a mobile cell site on wheels on city-owned property at the Grand Canal Linear Park.

Background

Sprint Spectrum contacted the city to request permission to expand its existing network facilities in the Glendale Sports Entertainment District to accommodate capacity needs for major sporting events. Sprint Spectrum's infrastructure investment in the West Valley allows them to meet their current and future clients' connection needs and the growing demand for cellular service.

Analysis

- There will be no additional construction needed as a result of this action.
- There are no costs incurred as a result of this action.
- This temporary license agreement is for a term of 90 days, commencing on the effective date of this agreement, with an option for a 30 day extension.

Community Benefit/Public Involvement

Approval of this agreement will allow Sprint Spectrum to accommodate the anticipated temporary increase in demand of cellular service to City of Glendale residents and visitors as a result of the upcoming major sporting events.

Budget and Financial Impacts

The revenue generated from this agreement during the 90 day term is projected at $7,500 with an additional $1,000 per week should a 30 day extension be granted. All revenue shall be deposited into the General Fund.

RESOLUTION NO. 4892 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO EXECUTE A COMMUNICATIONS SITE TEMPORARY LICENSE AGREEMENT FOR A MOBILE CELL SITE ON WHEELS WIRELESS COMMUNICATIONS FACILITY ON CITY PROPERTY LOCATED ON GRAND CANAL LINEAR PARK AT APPROXIMATELY THE NORTHWEST CORNER OF BETHANY HOME ROAD AND 95TH AVENUE WITH SPRINT SPECTRUM REALTY COMPANY, L.P.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City Manager or her designee is hereby authorized to execute and deliver a Communications Site Temporary License Agreement for a mobile cell site on wheels wireless communications facility located on City property on the Grand Canal Linear Park at approximately the northwest corner of Bethany Home Road and 95th Avenue with Sprint Spectrum Realty Company, L.P. Said license agreement is on file with the City Clerk.

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

l_eng_sprint_g canal

COMMUNICATIONS SITE TEMPORARY LICENSE AGREEMENT FOR SPRINT SPECTRUM REALTY COMPANY L.P., ON CITY OF GLENDALE PROPERTY

This Communications Site Temporary License Agreement for Sprint Spectrum Realty Company L.P., in City of Glendale Property ("Agreement") is executed to be effective this ___day of _____, 2014 ("Effective Date"), between the City of Glendale, an Arizona municipal corporation ("City"), and Sprint Spectrum Realty Company. L.P. a limited liability company, dba Sprint Spectrum ("Licensee").

RECITALS

A. The City is the owner of certain property located in the City ("Licensed Area"), as more particularly described in the attached Exhibit A.

B. Licensee desires to install, maintain and operate a "mobile cell site on wheels" wireless communications facility ("COW") on the City's property on Grand Canal Linear Park. The equipment includes, but is not limited to communications equipment, antennas, radio amplifiers, radio frequency and optical signal converters, power suppliers and meters, monitoring devices, fiber optic and other cabling, connectors and equipment necessary to serve Licensee's Mobile Cell Site facilities as shown in Exhibit A (collectively, the "Facilities").

C. The City is willing to grant the Licensee a temporary license to use the Licensed Area for the operation of the Facilities under the terms of this Agreement, subject to the approval of the Glendale City Council in connection with the public hearing requirements of A.R.S. § 9-551 *et seq.*, and all as implemented by the City's Project Manager, whose approvals shall not be unreasonably withheld.

AGREEMENT

1. Premises and Use. City owns the real property described on **Exhibit A** attached ("City's Property"). City agrees to License's Sprint Spectrum for its exclusive use the site, consisting of a portion of City's Property and measuring approximately Eight Hundred (800) square feet of real property, as generally described on Exhibit "B" (the "Site"), together with and including in the definition of "Site" all necessary easements for access and utilities necessary to service the Site, including those shown on Exhibit "B". The Site may be used by Licensee and/or any of its contractors, agents and employees ("Licensee Parties") for the purpose of installing, removing, replacing, modifying, maintaining and operating, at Licensee's expense, a mobile communications facility commonly known as a "cell on wheels," including, without limitation a mobile communications facility trailer, utility lines, transmission lines, electronic equipment, radio transmitting and receiving antennas, power sources (including generators and fuel storage tanks), supporting equipment and structures thereto and, if applicable to the Site, an antenna support structure (the "Facilities"). All of the Facilities will remain Licensee's personal

property and are not fixtures. Licensee may install around the perimeter of the Site temporary fencing. Licensee will have unrestricted access to the Site and the Facilities.

2. Term and License Fee. Licensee's term (the "Term") will commence on the Effective Date and will run for ninety (90) days. In consideration of Licensee use of City's Property for Licensee's intended use of the Site, Licensee will make a one-time payment of Seven Thousand Five Hundred Dollars ($7,500.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged. Thereafter, the Term will automatically renew from week to week until terminated by either party upon ten (10) days prior written notice, but in no event shall the entire Term exceed four months. Licensee Agrees to pay an additional weekly payment of One Thousand ($1,000.00) Dollars for each week Licensee remains in possession beyond initial ninety (90) day term.

3. Compliance with Laws. Licensee agrees to comply with all applicable local, state and federal laws, rules and ordinances during the Term.

4. Indemnification. The Licensee shall defend, indemnify and hold harmless the City and its elected or appointed officials, agents, boards, commissions and employees (hereinafter referred to collectively as the "City" in this Section) from all loss, damages or claims of whatever nature, including attorney's fees, expert witness fees and costs of litigation, that arise out of any act or omission of the Licensee or its agents, employees and invitees (hereinafter referred to collectively as "Licensee" in this Section) in connection with the Licensee's operations in the Licensed Area and that result directly in the injury to or death of any person or the damage to or loss of any property, or that arise out of the failure of Licensee to comply with any provision of this Agreement. The City shall in all instances, except for loss, damages or claims resulting from the negligence or willful acts of the City, be indemnified by Licensee against all losses, damages or claims. The City shall give the Licensee prompt notice of any claim made or suit instituted that may subject the Licensee to liability under this Section, and Licensee shall have the right to compromise and defend the same to the extent of its own interest. The City shall have the right, but not the 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 Licensee of any obligations under this Agreement. Licensee's obligations under this Section survive any termination of this Agreement or the Licensee's activities in the Licensed Area.

5. Licensee's Insurance. The Licensee shall procure and at all times maintain the following types and amounts of insurance for its operations in the Licensed Area:

A. Commercial general liability insurance in the minimum amount of $2,000,000 combined single limit per occurrence for bodily injury and property damage, $5,000,000 aggregate.

B. Insurance shall:

i) Be from a company rated at least A- by AM Best;

ii) Name the City as an additional insured on the insurance policy and maintain coverage through the term of the Agreement;

iii) Include contractual liability coverage, subject to standard policy provisions and exclusions; and

iv) Be primary and non-contributory with respect to all other available sources, as relates to Licensee's negligence.

C. Licensee shall provide appropriate certificates of insurance to the City for all insurance policies required by this Section. Absence of City request for proof of initial or renewal coverage does not waive any insurance requirements under this paragraph.

6. Default and Termination. If Licensee is in default under this Agreement for a period of 30 days following receipt of written notice from City, City may pursue any remedies available to it against the defaulting party at law and in equity, including, but not limited to, the right to terminate this Agreement. In the event this Agreement expires or is terminated, Licensee will remove the Facilities from the Site and substantially restore the Site to the condition in which it existed immediately prior to Licensee's entry, reasonable wear and tear and damage not caused by Tenant excepted.

7. Security Deposit.

A. Amount of Security Deposit. Within ten (10) days of the full execution of this Agreement, Licensee agrees to deliver to City a security deposit in the amount of five Thousand and No/100 Dollars ($5,000.00). City shall hold the Security Deposit as security for the performance of the Licensee's obligations under this Agreement.

B. Use of Security Deposit. City may (but is not required to) without prejudice to any other remedy City has, apply all or part of the Security Deposit to:

i) Any Rent, including License Fee, or other sum in default;

ii) Any amount that City may spend or become obligated to spend in exercising City's unconditional rights pursuant to Facilities Removal, Restoration or to remove any and all portions of the Facilities that remain on the Licensed Area by the earlier of thirty (30) days following cessation of Licensee's operations at the Licensed Area, or the Expiration Date of this Agreement; and

iii) Any expense, loss, or damage that City may suffer because of Licensee's default.

8. Notices. All notices must be in writing and are effective only when deposited in the U.S. mail, certified mail, return receipt requested and postage prepaid or when sent via overnight delivery service. Notices to Licensee are to be sent to: Sprint/Nextel Property Services, 6391 Sprint Parkway, Overland Park, Kansas 66251-2020, with a mandatory copy to: Sprint/Nextel Law Department, Mailstop KSOPHT0101-Z2020, 6391 Sprint Parkway, Overland Park, Kansas 66251-2020, Attn.: Real Estate Attorney. Notices to Owner must be sent to the address shown underneath Owner's signature.

9. Miscellaneous. This Agreement constitutes the entire understanding between the parties with respect to the activities contemplated by this Agreement. All prior agreements or understandings, whether oral or written are superseded. This Agreement may be amended only by a written document duly executed by the parties. This Agreement will be governed by the laws of the state in which the Site is located.

Executed to be effective as of the date shown above.

CITY:

City of Glendale,
an Arizona municipal corporation

_____
Brenda S. Fischer
City Manager

ATTEST:

_____
Pamela Hanna (Seal)
City Clerk

APPROVED TO FORM:

_____
Michael D. Bailey
City Attorney

LICENSEE:

Sprint Spectrum Realty Company. L.P.

By:
Name:
Title:
Date:

_____

EXHIBIT A
TO TEMPORARY LICENSE AGREEMENT (FOR CELL ON WHEELS)

Legal Description of City's Property

City's Property is located at the Northwest corner of W. Bethany Home Road & N. 95th Avenue (APN: 102-01-001A), situated in the City of Glendale, County of Maricopa, State of Arizona and legally described as follows:

All of that portion of the East Half of the Southwest Quarter (E2 SW4) of Section 9-T2N, R1E, of the G&SRB&M, which lies within a 230 foot strip of land running Northerly of, parallel with and adjacent to the North line of the Grand Canal right of way as conveyed to Salt River Valley Water User's Association by Quit Claim Deed and Recorded at Book 218 of Deeds, Page 154 in the office of the County Recorder of Maricopa County, Arizona.

Containing an Area of 303,031 Square Feet or 6.96 Acres more or less.

EXHIBIT B
TO TEMPORARY LICENSE AGREEMENT (FOR CELL ON WHEELS)

Site Drawing Page 1 of 2

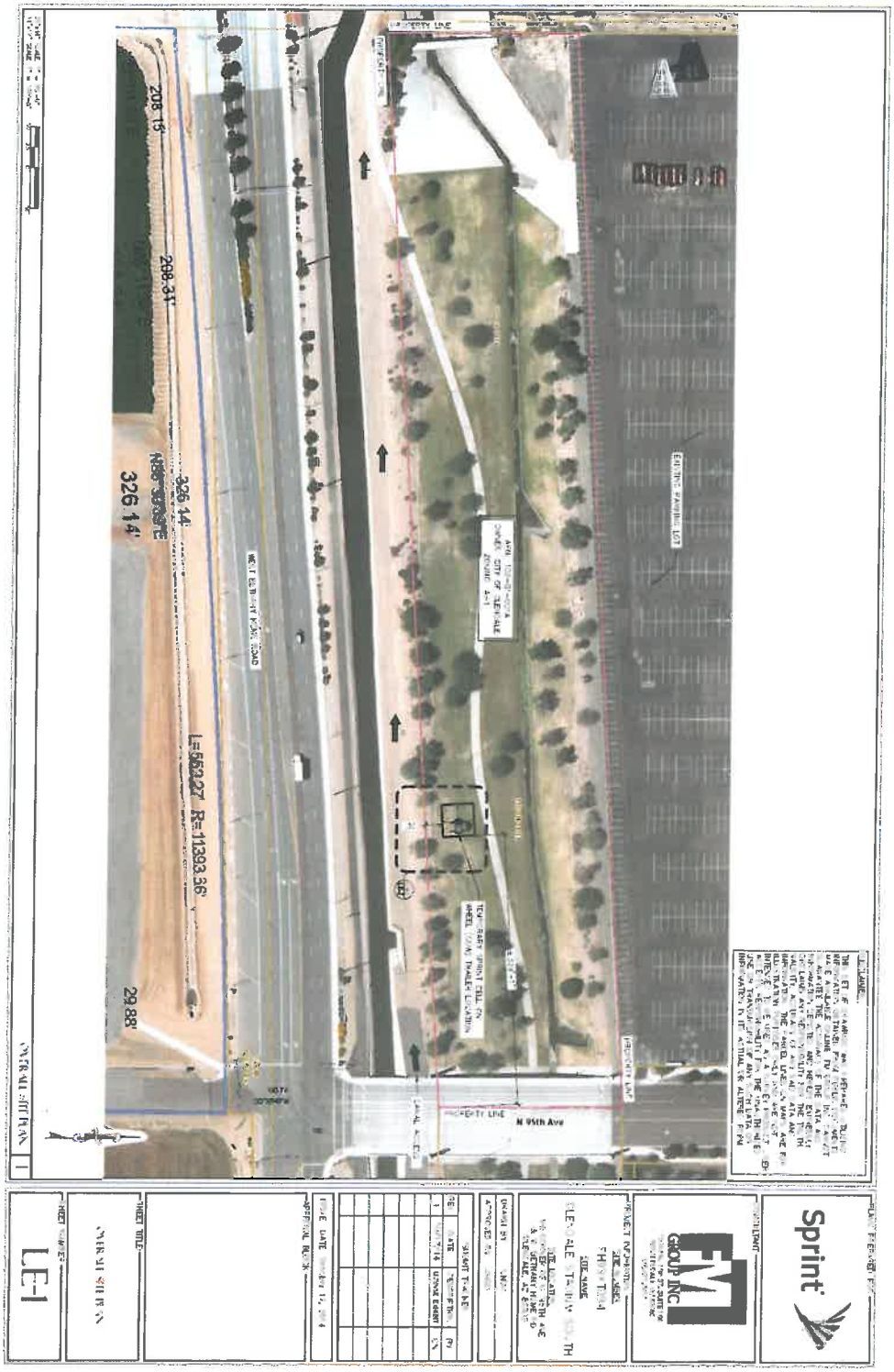
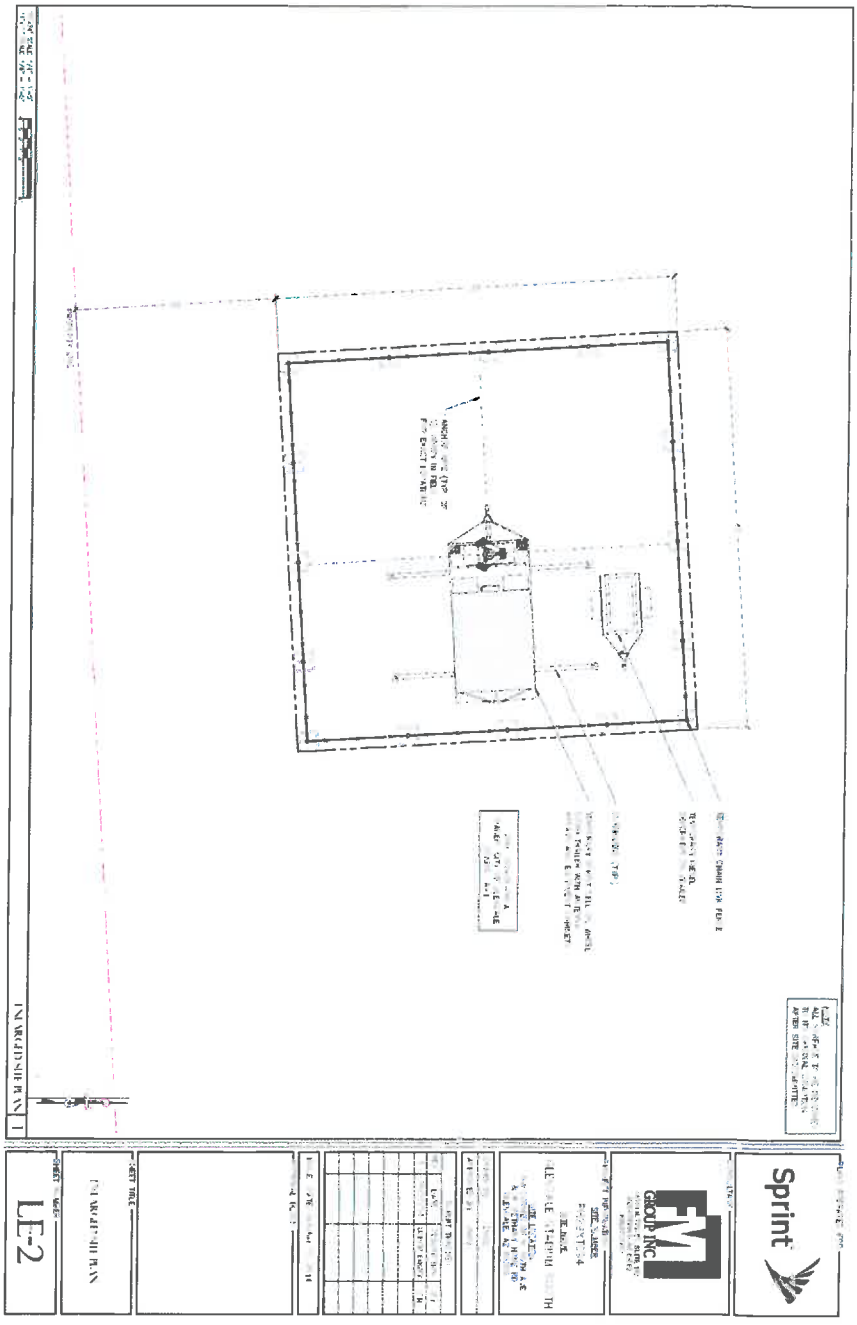


EXHIBIT B
TO TEMPORARY LICENSE AGREEMENT (FOR CELL ON WHEELS)

Site Drawing Page 2 of 2



Note: Owner and Tenant may, at Tenant's option, replace this Exhibit with an exhibit setting forth the legal description of the Site, or an as-built drawing depicting the Site. Any visual or textual representation of the Facilities is illustrative only, and does not limit the rights of Tenant as provided for in the Agreement. Without limiting the generality of the foregoing:

1. The Site may be setback from the boundaries of Owner's Property as required by the applicable governmental authorities.
2. The locations of any access and utility easements, if any, are illustrative only. Actual locations may be determined by Tenant and/or the servicing utility company in compliance with local laws and regulations.

File #: 14-379, **Version:** 1

AUTHORIZATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH MARICOPA COUNTY ADULT PROBATION DEPARTMENT FOR EXCHANGE OF PROBATION DATA AND LAW ENFORCEMENT INFORMATION

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 enter into a memorandum of understanding (MOU) with the Maricopa County Adult Probation Department (MCAPD) for exchange of probation data and law enforcement information.

Background

The MCAPD has been sharing probation data with the Glendale Police Department (GPD) for over 10 years. Probation data assists the GPD in solving crimes by assisting with the identification of suspects who may be on probation. Data files include very useful information, such as descriptions of scars, marks, and tattoos on the probationer, which have been used to identify suspects in serial crimes such as robberies. In return, the GPD shares law enforcement information with MCAPD, such as details about contacts Glendale Police have had with probationers, which helps MCAPD further their investigations. This partnership promotes close cooperation between the agencies and greatly enhances information sharing.

Analysis

If Council approves the recommended action, the city will continue its partnership with MCAPD. GPD will continue to receive data files of adult probationers. This information has been very successful in identifying suspects involved in ongoing criminal activity, which led to their arrest.

The current agreement with MCAPD will expire on December 31, 2014. If the new MOU is approved, it will remain in effect for five years with the option to extend by mutual agreement of the parties. Staff is recommending that Council adopt the proposed resolution authorizing the City Manager to enter into an MOU with MCAPD for exchange of probation data and law enforcement information.

Previous Related Council Action

On February 12, 2013, Council authorized the City Manager to enter into an MOU with MCAPD for exchange of probation data and law enforcement information.

Community Benefit/Public Involvement

The probation data received from MCAPD assists GPD with keeping track of probationers in the community and enhances public safety.

Budget and Financial Impacts

There is no cost to the city to enter into this MOU.

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RESOLUTION NO. 4893 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF A MEMORANDUM OF UNDERSTANDING FOR DATA EXCHANGE WITH THE MARICOPA COUNTY ADULT PROBATION DEPARTMENT.

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 a Memorandum of Understanding for Data Exchange with the Maricopa County Adult Probation Department to allow the exchange of probation data and law enforcement data to enhance public safety in the City of Glendale be entered into, which agreement is now on file in the office of the City Clerk of the City of Glendale.

SECTION 2. That the Mayor or City Manager and the City Clerk be authorized and directed to execute and deliver all necessary documents on behalf of the City of Glendale.

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

iga_mcapd_data

Maricopa County
Adult Probation Department

Memorandum of Understanding for Data Exchange

This Memorandum of Understanding ("MOU") is between the MARICOPA COUNTY ADULT PROBATION DEPARTMENT ("MCAPD") at 620 W. Jackson Street, Phoenix, Arizona 85003, and the City of Glendale, an Arizona municipal corporation acting through the Glendale Police Department ("GPD"). MCAPD and GPD are referred to herein individually as "Party" and collectively as "Parties".

1. Purpose. This MOU is intended to allow the exchange of probation data and law enforcement data between MCAPD and GPD to enhance public safety in Maricopa County and the City of Glendale.

2. Effective Date. This MOU will become effective once fully executed by the parties.

3. Process to obtain data.

    a. Prior to any exchange of data, MCAPD requires a formal request in writing from the requesting agency listing the following:

        i. Contact information for a single project leader for the agency.

        ii. Contact information for a single technical leader for the agency.

        iii. How the agency will use the requested probation data.

        iv. The agency's willingness to participate in meeting concerning data exchanges (if need be.)

    b. MCAPD will provide each participating criminal agency with data file(s) containing data of its probation population. Generally, the data file(s) are updated on a daily basis as part of a data dump. MCAPD does not provide incremental data.

    c. Data is/will be posted on a file transfer protocol (FTP) site in standard text (.txt) files. MCAPD is unable to fulfill any custom build data requests and provides the same data to all participating agencies.

    d. GPD is advised of the following regarding the data:

        i. Although a termination date may be listed in the case record, it does not necessarily reflect the actual termination date of that individual from probation termination. The termination date, as listed, is only a projected/calculated field.

ii. Much of the data provided is dynamic and can be changed. Although, MCAPD takes measures to ensure that its data is accurate, there are occasions when the data may not have been updated. Prior to taking any action, the information garnered from these records must be verified via a phone call to MCAPD.

e. The FTP address, login, and password will be delivered to the Technical Leader.

f. A Data Dictionary is posted on the FTP site for help understanding the data layout of the files.

4. Reciprocity. MCAPD will only provide data to those agencies willing to allow access by MCAPD to their data. In most cases, if plausible, MCAPD would be interested in data listing contact that a police agency has with individuals on probation (i.e., arrests, field interrogations, departmental reports, etc.) Also, MCAPD would be interested in incident information from a police agency listing the crime in its jurisdiction. And, shape files of the police agency's beats or precincts. Such data shall only be provided as authorized by law.

5. Restrictions and terms for use of MCAPD data.

   a. The information provided pursuant to this MOU is solely for legitimate criminal justice use by the parties. Secondary dissemination to other agencies and individuals is prohibited. This restriction includes probation data on crime maps that may be released to the public if allowed by public records laws.

   b. GPD agrees to comply with all current laws, rules and policies governing the confidentiality of any data provided by the MCAPD.

   c. GPD will not use or resell data for the purpose of commercial solicitation of any individual named in the data.

   d. GPD will not publish or re-disseminate the data for the purpose of unrestricted access on the Internet with the personal identifiers set forth in Rule 123(j)(4), Rules of the Supreme Court of Arizona.

   e. GPD will not publish or re-disseminate the data for the purpose of unrestricted access on the Internet with the personal identifiers set forth in Rule 123(j)(4), Rules of the Supreme Court of Arizona.

   f. GPD agrees that the MCAPD may audit its compliance with the terms and conditions of the dissemination agreement and it will cooperate fully with any law enforcement investigation concerning the use of the data by GPD or any of its subscribers.

g. GPD agrees to provide its users only the most recent data obtained from the MCAPD.

h. Upon notice from the MCAPD, GPD agrees to remove from its files within two business days any data that has been amended, corrected, sealed, or otherwise restricted and notify its subscribers to do the same. The notice from the MCAPD shall identify the cases that are to be corrected, removed, or otherwise restricted.

i. GPD must enter a written subscriber agreement with each of its subscribers that specifically details the authorized uses of the data accessed, conditions access to lawful use, and includes a provision for immediate termination of the agreement in the event of improper use of the data. The agreement shall also require the subscriber to remove from its files any data that has been amended, corrected, sealed, or otherwise restricted, within two business days from receiving notice from GPD. The agreement shall further require the subscriber to provide a disclosure statement to each customer, client, or other third party at the time any of the data obtained under the agreement is provided, which states:

> The MCAPD, the custodian of bulk data, provides no warranties, express or implied, that the data provided is accurate, current, correct, or complete. It is expressly understood that it is the responsibility of the GPD and/or its subscribers, customers, clients, or other third parties to whom the data is supplied to verify the data obtained under this agreement with the official court records.

6. Indemnification. GPD agrees to defend, indemnify, and hold harmless the MCAPD, the supreme court, the court from which the data is disseminated, and the State of Arizona and their officers, agents and employees from all risk of loss and damages incurred because of any claims, judgments, or executions arising out of any use made of the data obtained under the agreement.

7. Termination. MCAPD may immediately terminate the dissemination agreement at any time if, in the MCAPD sole discretion, the data is used improperly. In addition, this MOU may be terminated by either Party with or without cause, upon thirty (30) day written notice to the other Party. If not terminated before this date or extended by mutual agreement of the parties, this MOU shall terminate on December 31, 2019.

8. Insurance. GPD, as a public agency, is exempted from the minimum commercial general liability insurance requirement.

9. Cancellation. This MOU is subject to cancellation provisions pursuant to A.R.S § 38-511. MCAPD may cancel this MOU, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this MOU on behalf of MCAPD is, at any time while this MOU or any

extension is in effect, an employee or agent of GPD with respect to the subject matter of this Agreement.

10. None of the provisions of the MOU may be waived, changed or altered except in writing signed by both parties.

11. Notwithstanding any provision of the MOU to the contrary, MCAPD is not authorized to indemnify GPD.

12. No payment is due from MCAPD under the Agreement.

13. Pursuant to A.R.S. §§ 35-214 and 35-215, GPD shall retain all data, books and other records ("records") relating to this MOU for a period of five years after completion of the MOU. All records shall be subject to inspection and audit by the State of Arizona at reasonable times. Upon request, GPD shall produce the original of any or all such records.

14. GPD shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. GPD shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

15. Scrutinized Business Operations. Pursuant to A.R.S. § 35-391.06 and 35-393.06, both Parties certify that they do not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or and 35-393, as applicable. If either Party determines that the other Party submitted a false certification, that Party may impose remedies as provided by law including cancellation or termination of this MOU.

16. Compliance requirements for A.R.S. § 41-4401—immigration laws and E-Verify requirement.

    a. Both Parties warrant compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A, which reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program."

    b. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breech of the MOU and both Parties may be subject to penalties up to and including termination of the MOU.

17. This MOU shall be construed in accordance the laws of the State of Arizona.

18. The parties to this MOU agree to resolve all disputes arising out of or relating to this MOU through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

19. Non-Availability of Funds. Every payment obligation of the State under this MOU is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this MOU, this MOU may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

20. This MOU contains the entire understanding of the parties. There are no representations or other provisions other than those contained herein, and any amendment or modification of this MOU shall be made only in writing and signed by the parties to this MOU.

21. Counterparts. The parties may execute this MOU in two or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same document.

22. Project lead. GPD designates the following individual as the project lead:

    Name: Aimee Tibbits

    Title: Crime Analyst

    Email address: Atibbits@glendaleaz.com

23. Technical Lead. GPD designates the following individual as the technical lead:

    Name: Bruce Kline

    Title: Crime Analyst

    Email address: Bkline@glendaleaz.com

24. Notices. Changes to the project or technical leads must be submitted in writing to MCAPD.

    If to GPD: Glendale Police Department
    Attn: Police Chief
    6835 North 57th Drive
    Glendale, AZ 85301

With a copy to: Glendale City Attorney
5850 West Glendale Avenue
Glendale, AZ 85301

If to MCAPD: Maricopa County Adult Probation
Attn: Randy Tirado
620 West Jackson Street, Suite 3098
Phoenix, AZ 85053

Maricopa County Adult Probation Department

By:_____

Name: **Barbara Broderick**

Title: **Chief Probation Officer**

Date:_____

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

File #: 14-396, **Version:** 1

EXPENDITURE AUTHORIZATION FOR ANNUAL AMORTIZED EQUIPMENT AND DISPATCH COSTS FOR FISCAL YEAR 2014-15 WITH THE CITY OF PHOENIX FOR COMPUTER AIDED DISPATCH SERVICES

Staff Contact: Mark Burdick, Fire Chief

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution approving the payment of the annual amortized equipment and dispatch costs for Fiscal Year (FY) 2014-15 pursuant to the Intergovernmental Agreement (IGA) with the City of Phoenix Fire Department for dispatching and communication services in an amount not to exceed $1,228,829.32. This action will approve payment pursuant to the IGA.

Background

The current IGA with the City of Phoenix Fire Department has been in effect since July 2003. This IGA provides a centralized location for dispatch services, and technical services and maintenance for all of the fire department technical equipment located at the fire stations and inside the fire trucks. In accordance with the current IGA, the City of Phoenix revises Exhibit A on an annual basis. Exhibit A is revised due to fluctuations in costs. These costs are based on either increases or decreases in the number of dispatches, changes in technology costs, and equipment needs. The participating agencies are strongly suggested to revise Exhibit A annually upon receiving the revised fee schedule. The IGA allows/approves revisions to Exhibit A annually.

Previous Related Council Action

City Council approved the original IGA for regional dispatch services on October 14, 2003 (C-4942). City Council also approved the renewal of the Phoenix Regional Automatic Aid System Agreement on May 28, 2013.

Community Benefit/Public Involvement

The city and its citizens receive state-of-the-art dispatch and communications services without bearing the cost of maintaining and staffing a separate facility. Phoenix automated its dispatching services going from a manual process to using a Computer Aided Dispatch system (CAD). This technology afforded a reduced response time or the time it takes a unit to be dispatched and arrive on scene, which ultimately saves lives. Their state-of-the-art CAD system is customized to fit the Valley's needs, thereby ensuring the highest level of customer service at all times. Phoenix remains on the cutting edge not only with the CAD system but also with the radio, telephone equipment and enhancements.

By participating in Automatic Aid it erases jurisdictional boundaries for all participating agencies. This means

that any time a call is received, the closest appropriate emergency response vehicle to the incident will be dispatched regardless of the location inside the dispatch area. This ensures first and foremost that the customer is receiving the highest level of care available in the shortest amount of time, and secondly, allows all participating agencies better use of their resources. Each participating agency must adhere to standard operating policies and procedures, which allows multiple agencies to work side-by-side on incidents under one Incident Command. This seamless cooperative effort ensures that the closest most appropriate resources are dispatched without a time or distance delay.

Budget and Financial Impacts

The FY 2014-15 total dispatch, technical and maintenance fees are $1,228,829.32. The City of Phoenix will invoice Glendale on a quarterly basis in the amount of $307,207.33. Items included in the annual costs for FY 2014-15 are defined in the attachment Exhibit A. Also, Southwest Ambulance will reimburse the city for the annual costs in the amount of $29,046.42.

Cost	Fund-Department-Account
$1,175,882.28	1000-12433-518200, Fire Resource Management - Professional & Contractual
$23,900.62	1000-12492-518200, Air-Med & Logistics Ops (HALO) - Professional & Contractual
$29,046.42	1000-12491-524400, Ambulance Services - Dispatch O & M SWA

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

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RESOLUTION NO. 4894 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING PAYMENT OF THE ANNUAL AMORTIZED EQUIPMENT AND DISPATCH COSTS FOR FISCAL YEAR 2014-2015 PURSUANT TO INTERGOVERNMENTAL AGREEMENT NO. 106007 WITH THE CITY OF PHOENIX PERTAINING TO PARTICIPATION IN THE PHOENIX FIRE DEPARTMENT REGIONAL SERVICE SYSTEM IN ORDER TO MORE EFFECTIVELY PROVIDE EMERGENCY FIRE, MEDICAL AND OTHER SERVICES.

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 payment of the annual amortized equipment and dispatch costs for FY 2014-2015 pursuant to Intergovernmental Agreement No. 106007 (Glendale Contract No. 5543) with the City of Phoenix pertaining to participation in the Phoenix Fire Department Regional Service System be authorized, all in accordance with the substituted Exhibit A, attached hereto.

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

iga_phx_dispatch costs

Final
rev 5/7/2014

CITY OF PHOENIX FIRE DEPARTMENT
REGIONAL DISPATCH CENTER PARTNERS
COMPUTER AIDED DISPATCH CONSORTIUM
ANNUAL AMORTIZED EQUIPMENT & DISPATCH COST ESTIMATES
FISCAL YEAR 2014/2015
EXHIBIT A
INTERGOVERNMENTAL AGREEMENT
106007
JURISDICTION
City of Glendale - FD

I. Dispatch Service Fee

The Dispatch Service fee calculation is the dispatch rate multiplied by the total number of dispatches for the previous calendar year.

DISPATCH FEE	DISPATCH COUNT	DISPATCH SERVICE FEE TOTAL
$23.37 - City of Glendale - FD	27,464	$641,833.68
$15.69 - City of Glendale - PMT	18	$282.42
$15.69 - City of Glendale - SWA - direct bill dispatch	23,614	$0.00
$15.69 - City of Glendale - HALO	196	$3,075.24
$15.69 - City of Glendale - Native Air	2	$31.38
		Dispatch Fee Total: **$645,222.72**

II. Technical Service Fee

SYSTEM	$ / Unit	# Units	Ext $
FIRE STATION PACKAGE - City of Glendale - FD	$6,622	10	$66,220.00
TEMP FIRE STATION PACKAGE - City of Glendale - HALO	$8,500	1	$8,500.00
	FIRE STATION PACKAGE TOTALS:	**11**	**$74,720.00**
MCT/AVL - City of Glendale - FD	$1,544	40	$61,760.00
MCT/AVL - City of Glendale - SWA	$1,544	6	$9,264.00
MCT/AVL - City of Glendale - Luke AFB	$1,544	7	$10,808.00
MCT/AVL - City of Glendale - HALO	$1,544	1	$1,544.00
AIRMOBILE - City of Glendale - FD	$800	1	$800.00
WAN/LAN SYSTEM - City of Glendale - FD	$4,400	1	$4,400.00
WAN/LAN EQUIPMENT - City of Glendale - FD	$2,295	1	$2,295.00
	NON-FIRE STATION PACKAGE TOTALS:	**57**	**$90,871.00**
Additional PCMSS Licenses	$200	5	$1,000.00
MCT Lite cell service City of Glendale - FD	$480	2	$960.00
CAD System Maintenance Fee	$5.40	27,464	$148,305.60
		TECHNICAL SERVICE FEE TOTAL:	**$315,856.60**

III. General Maintenance Fee

FIRE STATION PACKAGE MAINTENANCE			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
City of Glendale - FD	$7,500	10	$75,000.00
City of Glendale - HALO	$7,500	1	$7,500.00
		FIRE STATION MAINTENANCE TOTAL:	**$82,500.00**
GENERAL MAINTENANCE FEE PER DEVICE (NON-FS PACK)			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
City of Glendale - FD	$3,250	43	$139,750.00
City of Glendale - SWA	$3,250	6	$19,500.00
City of Glendale - Luke AFB	$3,250	7	$22,750.00
City of Glendale - HALO	$3,250	1	$3,250.00
		Non-FIRE STATION MAINTENANCE TOTAL:	**$185,250.00**
	GENERAL MAINTENANCE FEE TOTAL:	**$267,750.00**	

IV. Total Dispatch Service, Technical Service, and General Maintenance Fees

The Dispatch Service, Technical Service, and General Maintenance fees for the City of Glendale - FD are $1,228,829.32. The City of Phoenix will invoice the City of Glendale - FD on a quarterly basis in the amount of $307,207.33.

Final
rev 5/7/2014

CITY OF PHOENIX FIRE DEPARTMENT
REGIONAL DISPATCH CENTER PARTNERS
COMPUTER AIDED DISPATCH CONSORTIUM
ANNUAL AMORTIZED EQUIPMENT & DISPATCH COST ESTIMATES
FISCAL YEAR 2014/2015
EXHIBIT A
INTERGOVERNMENTAL AGREEMENT
106007
JURISDICTION
City of Glendale - Luke AFB (subset)

I. Dispatch Service Fee

The Dispatch Service fee calculation is the dispatch rate multiplied by the total number of dispatches for the previous calendar year.

DISPATCH FEE	DISPATCH COUNT	DISPATCH SERVICE FEE TOTAL
	Dispatch Fee Total:	$0.00

II. Technical Service Fee

SYSTEM	$ / Unit	# Units	Ext $
MCT/AVL - City of Glendale - Luke AFB	$1,544	7	$10,808.00
	NON-FIRE STATION PACKAGE TOTALS:	7	$10,808.00
		TECHNICAL SERVICE FEE TOTAL:	$10,808.00

III. General Maintenance Fee

FIRE STATION PACKAGE MAINTENANCE			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
		FIRE STATION MAINTENANCE TOTAL:	$0.00
GENERAL MAINTENANCE FEE PER DEVICE (NON-FS PACK)			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
City of Glendale - Luke AFB	$3,250	7	$22,750.00
		Non-FIRE STATION MAINTENANCE TOTAL:	$22,750.00
	GENERAL MAINTENANCE FEE TOTAL:	$22,750.00	

IV. Total Dispatch Service, Technical Service, and General Maintenance Fees

The Dispatch Service, Technical Service, and General Maintenance fees for the City of Glendale - Luke AFB (subset) are $33,558.00.

Final
rev 5/7/2014

CITY OF PHOENIX FIRE DEPARTMENT
REGIONAL DISPATCH CENTER PARTNERS
COMPUTER AIDED DISPATCH CONSORTIUM
ANNUAL AMORTIZED EQUIPMENT & DISPATCH COST ESTIMATES
FISCAL YEAR 2014/2015
EXHIBIT A
INTERGOVERNMENTAL AGREEMENT
106007
JURISDICTION
City of Glendale - FD - Private Ambulances (subset)

I. Dispatch Service Fee

The Dispatch Service fee calculation is the dispatch rate multiplied by the total number of dispatches for the previous calendar year.

DISPATCH FEE	DISPATCH COUNT	DISPATCH SERVICE FEE TOTAL
$15.69 - City of Glendale - PMT	18	$282.42
$15.69 - City of Glendale - SWA - direct bill dispatch	23,614	$0.00
	Dispatch Fee Total:	$282.42

II. Technical Service Fee

SYSTEM	$ / Unit	# Units	Ext $
MCT/AVL - City of Glendale - SWA	$1,544	6	$9,264.00
	NON-FIRE STATION PACKAGE TOTALS:	6	$9,264.00
		TECHNICAL SERVICE FEE TOTAL:	$9,264.00

III. General Maintenance Fee

FIRE STATION PACKAGE MAINTENANCE			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
		FIRE STATION MAINTENANCE TOTAL:	$0.00
GENERAL MAINTENANCE FEE PER DEVICE (NON-FS PACK)			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
City of Glendale - SWA	$3,250	6	$19,500.00
		Non-FIRE STATION MAINTENANCE TOTAL:	$19,500.00
	GENERAL MAINTENANCE FEE TOTAL:	$19,500.00	

IV. Total Dispatch Service, Technical Service, and General Maintenance Fees

The Dispatch Service, Technical Service, and General Maintenance fees for the City of Glendale - FD - Private Ambulances (subset) are $29,046.42.

Final
rev 5/7/2014

CITY OF PHOENIX FIRE DEPARTMENT
REGIONAL DISPATCH CENTER PARTNERS
COMPUTER AIDED DISPATCH CONSORTIUM
ANNUAL AMORTIZED EQUIPMENT & DISPATCH COST ESTIMATES
FISCAL YEAR 2014/2015
EXHIBIT A
INTERGOVERNMENTAL AGREEMENT
106007
JURISDICTION
City of Glendale - FD - Helicopters (subset)

I. Dispatch Service Fee

The Dispatch Service fee calculation is the dispatch rate multiplied by the total number of dispatches for the previous calendar year.

DISPATCH FEE	DISPATCH COUNT	DISPATCH SERVICE FEE TOTAL
$15.69 - City of Glendale - HALO	196	$3,075.24
$15.69 - City of Glendale - Native Air	2	$31.38
	Dispatch Fee Total:	**$3,106.62**

II. Technical Service Fee

SYSTEM	$ / Unit	# Units	Ext $
TEMP FIRE STATION PACKAGE - City of Glendale - HALO	$8,500	1	$8,500.00
	FIRE STATION PACKAGE TOTALS:	**1**	**$8,500.00**
MCT/AVL - City of Glendale - HALO	$1,544	1	$1,544.00
	NON-FIRE STATION PACKAGE TOTALS:	**1**	**$1,544.00**
		TECHNICAL SERVICE FEE TOTAL:	**$10,044.00**

III. General Maintenance Fee

FIRE STATION PACKAGE MAINTENANCE			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
City of Glendale - HALO	$7,500	1	$7,500.00
		FIRE STATION MAINTENANCE TOTAL:	**$7,500.00**
GENERAL MAINTENANCE FEE PER DEVICE (NON-FS PACK)			
EQUIPMENT BASE	$ / Unit	# Units	Ext $
City of Glendale - HALO	$3,250	1	$3,250.00
		Non-FIRE STATION MAINTENANCE TOTAL:	**$3,250.00**
		GENERAL MAINTENANCE FEE TOTAL:	**$10,750.00**

IV. Total Dispatch Service, Technical Service, and General Maintenance Fees

The Dispatch Service, Technical Service, and General Maintenance fees for the City of Glendale - FD - Helicopters (subset) are $23,900.62.

Descriptions and Costs for FY2014-15

Unit	Unit Cost	Annual Cost	Description
Airmobile server	$3,500 + tax	$800/annual per airmobile	Airmobile server is a fire station-based server that provides wireless updates to the MCT units. Unit cost: to purchase server Annual cost: creates replacement fund to replace unit at end of life – 4 years
CAD System Maintenance Fee		$5.40/per dispatch	A fee charged per dispatch that goes to a trust account to help replace the current CAD server / software application.
Dispatch Service Fee		$23.37 Fire Dispatch $15.69 Ambo/Helo Dispatch $23.37 Intercity Dispatch	A fee charged per dispatch to help cover Alarm Room operating cost. There are three (3) rates: 1. Fire Dispatch: fee charged per fire dispatch 2. Ambo/Helo Dispatch: fee charged per ambulance or helicopter dispatch or helicopter 3. Intercity dispatch: fee charged per intercity (non-fire) dispatch. Rate is the same as the Fire Dispatch. This is charged for Buckeye Valley Lewis Prison and West Valley Buckeye Medical Center transports. City of Phoenix Audit Department conducted study and determined cost to dispatch an ambulance is approximately 64% the cost to dispatch a fire unit. The total number fire dispatches and the total number of ambulance dispatches that occur during one year (for the City of Phoenix and the CAD partners) are divided into the Alarm Room costs to determine the Dispatch Service Fee rates.
Fire Station Package (purchase)	$60,586 + tax Estimate – dependent on actual station installation costs	$6,622/annual per FS	A station alerting system used to forward dispatch calls to and within the fire station. This version is a "permanent" installation and not designed to be moved between locations. Unit cost: to purchase FS package Annual cost: creates replacement fund to replace unit at end of life – 10 years
Fire Station Package (Temporary - lease)	$8,500	$8,500/per FS Package	A station alerting system used to forward dispatch calls to and within the fire station. This version is a "temporary" installation and designed to be moved between locations or for short term leases.

Descriptions and Costs for FY2014-15

Unit	Unit Cost	Annual Cost	Description
General Maintenance Fee – Fire Station Package		$7,500/per FS Package	A fee that covers the cost for the USDD station package extended warrantee (break and fix, replacement of dead parts, system upgrades) and support staff costs. This is solely for the USDD station package unit (permanent and temporary).
General Maintenance Fee – Per Device (Non-FS Pack - non-MCT Lite)		$3,250/annual per item	A fee that covers the cost for non-station package devices (MCT, AirMobile, WAN/LAN System, WAN/LAN Equipment). This covers costs for the annual WAN/LAN system links (if present), repair of MCT units and replacement parts (batteries, modem, etc), maintenance and upgrades to Airmobile servers, and support staff costs. This does not cover MCT-Lite costs.
MCT/AVL	$7,100 + tax	$1,544/annual per MCT/AVL	Mobile Computer Terminal (MCT) – Panasonic Toughbooks ruggedized wireless computer Automatic Vehicle Locator (AVL) – reverse GPS system – sends location of vehicles back to Alarm Room to determine location of nearest available vehicle for an incident. Unit cost: to purchase MCT/AVL unit Annual cost: creates replacement fund to replace unit at end of life – 5 years
MCT Lite	Current price (between $300 - $500).		MCT Lite is a non-ruggedized netbook computer. This is for staff that wants access to MCT data but don't require a ruggedized laptop (the Panasonic Toughbooks unit). There is no annual support fee (other than the annual wireless connection fee). If the unit is damaged or lost, a new unit must be purchased. Unit cost: to purchase MCT Lite netbook Vendors are discontinuing this device and future availability of this service is unknown.
MCT Lite Wireless Connection		$480/annual per connection	MCT Lite is not covered under the General Maintenance Fee. The MCT Lite Wireless Connection fee recovers the annual wireless fee for these units.

Descriptions and Costs for FY2014-15

Unit	Unit Cost	Annual Cost	Description
PCMSS & PREMISE Manager Additional Licenses		$200/annual per additional License	PCMSS is software package to access CAD system to see: incident history, fire hydrant locations, unit status, etc. Cost is for maintenance for upgrades and tech support. Premise Manager is software to allow users to attach documents (floor plans, access information, MSDS info, etc) to a parcel location accessible on the MCT. Cost is for maintenance for upgrades and tech support. Per CAD-IGA, each CAD partner receives one (1) PCMSS license for each fire station, one (1) PCMSS license for each battalion office and one (1) administrative license. Additional licenses are charged at $200/license (for additional workstations). Each SWA/PMT station package will count as a credit against the City license count.
Portable Radio 800MHz – Motorola APX7500	$6,956.40 + tax	$1848/convert $1294/Interop $925/Loan Fee	800MHz Portable Radio provided by the City of Phoenix. Unit cost: to purchase radio Annual cost: creates replacement fund to replace unit at end of life – 5 years There are different annual costs: a. $1848 - A City of Phoenix Radio with an annual fee of $554 for RWC. CAD partner is not a RWC member. Phoenix collects the RWC fee and forwards to RWC. b. $1294 - A City of Phoenix Radio Lease to a CAD partner that is a member of the RWC. RWC will directly bill the CAD partner. c. $925 - The fee to use a City of Phoenix Radio temporarily
WAN/LAN System		$4400/annual per Link	Wide Area Network (WAN) / Local Area Network (LAN) System – This is a network connection between the City of Phoenix facility and the CAD partner. Most CAD partners have a single WAN/LAN System link between Phoenix and the partner, with the partner having their own internal computer network. The WAN/LAN System Cost is the annual telecomm cost for the circuit from Century Link.

Descriptions and Costs for FY2014-15

Unit	Unit Cost	Annual Cost	Description
WAN/LAN Equipment	$10,500 + tax	$2295.30	WAN/LAN Equipment is the switch and router installed in the fire stations. The estimated replacement cost for this equipment is $10,500 (plus tax) with a 5 year life expectancy. This charge builds a replacement fund for the equipment. Unit cost: to purchase switch and router Annual cost: creates replacement fund to replace units at end of life – 5 years

106007

INTERGOVERNMENTAL AGREEMENT FOR THE PHOENIX FIRE DEPARTMENT REGIONAL DISPATCH SYSTEM

THIS AGREEMENT is made and entered into this 1st of July 2003, by and between the **CITY OF PHOENIX**, hereinafter referred to as "**Phoenix**" and the participating agencies of the **PHOENIX FIRE DEPARTMENT REGIONAL DISPATCH SYSTEM ("System")**, hereinafter referred to as **"Members"** and listed in Appendix "A", of this Intergovernmental Agreement, Titled **"PHOENIX FIRE DEPARTMENT REGIONAL DISPATCH SYSTEM MEMBER AGENCIES"**.

WHEREAS, agreements for mutual assistance and intergovernmental cooperation in public safety areas, including operations and management of fire and police or the public safety related agencies have existed between municipalities and governmental jurisdictions; and

WHEREAS, it is the desire of the municipalities, governmental jurisdictions, agencies and Fire Districts participating in this intergovernmental agreement, to work together for mutual benefit of our communities, the public and our personnel; and

WHEREAS, Members desire to participate in the Phoenix Fire Department regional Dispatch System in order to more effectively provide emergency fire, medical and other services; and

WHEREAS, Phoenix desires the participation of Members in the System to more effectively provide emergency fire, medical and other services,

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is agreed by the parties as follows:

I. Dispatch Service

A. Members agree to pay Phoenix an annual fee, each fiscal year, for basic dispatch services based on the total number of dispatches for the previous calendar year as delineated in Exhibit "A" of this agreement.

B. As a condition of participation, Members agree to conform to Phoenix Fire Department Communication and Incident Management Procedures (PFD Procedures, Vol. II).

II. Technical Service

A. Members agree to pay Phoenix a Technical Service Fee each fiscal year, consisting of a specific Maintenance portion and a General Maintenance portion.

1. The specific Maintenance portion of the Technical Services Fee is associated with parts and materials for each specific piece of equipment, as delineated in Exhibit "A" of this Agreement.

2. The General Maintenance portion of the Technical Services Fee offsets costs associated with the general maintenance of that equipment and is based on a per unit charge for each piece of equipment in the Equipment Base.

III. Total Charges

A. Exhibit "A" of this agreement, titled "Fees and Charges", lists the total Dispatch and Technical Service Fees for Members. Phoenix will invoice Members annually in accordance with the schedule contained in Exhibit "A". Exhibit "A" will be revised annually, and will become effective on July 1st of each year.

B. In addition to payments described in Subsection A, above, certain other fees associated with the expansion of the **PHOENIX REGIONAL WIRELESS NETWORK (PRWN)** may be applicable, and, if so, will be listed in Exhibit "B".

IV. Other Items

A. Phoenix will provide equipment for additional fire stations or apparatus as required. All new additions to Member's Equipment Base require written notice by October 1st, of the calendar year preceding the fiscal year that the station or apparatus are placed in service. An initial technology investment fee will be charged in accordance with the schedule contained in Exhibit "A"

of this agreement. This fee will cover the installation hardware and all associated equipment.

During the course of this agreement, the underlying technology supporting systems and equipment covered by this agreement may become obsolete. In the case of technology obsolescence, evolution to a newer technology generation will be the subject of addenda to this agreement.

B. If Members desire to purchase equipment outside the process above, Members will be assessed a fee equal to 50% of the cost of the initial technology investment for such equipment. Such equipment purchases by Members must comply with the following restrictions:

1. Equipment must be certified by Phoenix to ensure that it is compatible with existing Phoenix systems and infrastructure
2. Members must also purchase a minimum of 10% replacement units and a full allocation of the manufacturers recommended spare parts and provide them to Phoenix
3. Members must provide for any training required to enable Phoenix maintenance personnel to support the equipment
4. Members will be responsible for any costs associated with implementing such equipment on existing or future Phoenix systems or infrastructure

C. Other communication equipment, including but not limited to, apparatus radios, portable radios and infrastructure which may be necessary for Member's units to function within the Regional Dispatch system, but are not defined within this agreement, are the sole responsibility of the Member. Purchase and maintenance of such equipment may be facilitated through the auspices of the City of Phoenix Information Technology Department.

D. Costs associated with utility company circuits, connections, and monthly services shall be borne by Members.

E. Dispatch equipment covered under this agreement that is damaged or rendered unserviceable by Phoenix through improper repair or neglect shall be repaired/replaced at no cost to Members.

F. Dispatch Equipment covered under this agreement that is damaged through abuse or misuse by Members will be repaired/replaced by Phoenix at an additional cost to Members. Full costs for such repair/replacement will be borne by Members at a rate determined by Phoenix.

G. Members shall not, without the prior written consent of Phoenix and the system hardware/software providers, copy or reproduce the hardware, software or firmware used within the system, in whole or in part. Furthermore, Members shall not make such items available to others without the same consent.

H. Phoenix agrees to provide management information reports to Members that are consistent with Phoenix Fire Department reporting. Costs associated with special information services/reports requested by Members shall be borne by Members.

I. It is agreed that in the event that the ongoing nature of this agreement is discontinued, all devices and related equipment not originally purchased by Members, shall be returned as the sole property of Phoenix. Furthermore, Phoenix will not be obligated to reimburse monies already collected as a function of this agreement.

J. Phoenix will advise Members of total fees and charges for the coming fiscal year no later than the last day of February of the current year. The new Appendix "B" will be provided no later than the last day of May of the current year.

K. Phoenix agrees to install and maintain Members' geographic database, necessary for processing dispatches in a timely manner. Members agree to provide all geographic database information including timely updates, through their own initiative.

L. Liability, occurring as a result of services provided through this agreement, shall be shared by the parties in proportion to the degree of fault.

M. Members may discontinue membership in the System at any time prior to April 1st of any calendar year by providing written notice thereof to the Phoenix Fire Chief. Termination pursuant to said notice shall be effective on July 1st of that year. However, Phoenix may terminate this Agreement at any time prior to April 1st of any calendar year by providing written notice thereof to the Members Fire Chief. Phoenix's termination pursuant to said notice shall be only for cause and provided Member, after reasonable notice, has failed to cure its default. Phoenix's termination shall be effective on July 1st of the calendar year that notice is given.

The parties hereto acknowledge that this Agreement is subject to termination by Phoenix and Members, pursuant to the provisions of A.R.S. § 38-511. Termination of this Agreement will, at the same time, render all Automatic Aid Agreements with Members of the system null and void.

For purposes of satisfying ARS 9-461.12c, as relates to the notification of intent to dispose of any real property that is held in common as a result of intergovernmental agreements, there is no real property to be disposed of should this Agreement be terminated.

N. Phoenix will provide upon request, a copy of the Phoenix Fire Department Hydrant Map and Street Guide Book for each Members emergency response unit. Additional books shall be purchased through the Phoenix Fire Department Information Services section.

O. Compliance with the Immigration Reform and Control Act of 1986 (IRCA) is required. Work performed by any contractor relating to this contract understands and acknowledges the applicability of the IRCA to him. The contractor agrees to comply with the IRCA in performing under this Agreement and to permit Phoenix the ability to inspect its' personnel records to verify such compliance.

P. Suppliers performing under this agreement shall not discriminate against any worker, employee or applicant, or any Members of the public, because of race, creed, color, religion, sex or national origin, nor otherwise commit an unfair labor practice. The supplier will take affirmative action to ensure that applicants are employed, and that employees are dealt with during employment without regard to their race, creed, color, religion, sex or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

The supplier 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 contract.

Each individual or firm, vendor or supplier, contractor or subcontractor will be given an equal economic opportunity to participate in City business.

The Contractor is eligible to do business with the City by its compliance with the affirmative action requirements of the City Code, Chapter 18, Article IV. The Contractor is responsible for maintaining its eligibility during the life of the contract, and failure to do so may result in termination of the contract.

The attention of all suppliers, lessees, or use permittee is called to Ordinance No. G-881, passed October 8, 1968; Ordinance No. G-1080, passed April 6, 1971; and Ordinance No. G-1121; passed October 5, 1971.

Q. No term or provision of this agreement is intended to, or shall, create any rights in any person, firm, corporation or other entity not a party hereto, and no such person or entity shall have any cause of action hereunder.

R. This agreement shall be recorded with the Maricopa County Recorder's Office.

S. No term or provision of this agreement is intended to create a partnership, joint venture or agency arrangement between any of the parties.

T. The parties also recognize that it is the responsibility of each participating party to ensure that their employees are notified in accordance with the provisions of Arizona Workers Compensation Law, specifically, A.R.S. 23-1022 or any amendment thereto, and that all such notices as required by such laws shall be posted in accordance with said law. Each party hereto further grants consent to each other party hereto to inspect the premises and work place of each party to ensure compliance with said notice posting requirements of said law, said consent being provided to the appropriate emergency services and/or risk management function of each agency party hereto.

U. The parties to this agreement hereby agree that other jurisdictions may join the System and be added to the Regional Dispatch System at the sole discretion of Phoenix. New members may be added to this intergovernmental agreement upon approval of their governing body and the filing of its signature page with this agreement at the Maricopa County Recorder's Office.

V. This Regional Dispatch System Agreement shall be reviewed by all parties every five years or as deemed necessary.

SIGNATURE PAGE

JURISDICTION: THE CITY OF GLENDALE

The City of Glendale is authorized by Article VIII, Section 1, of the City Charter to join with other governmental entities by contract for the exercise of its powers and is further authorized by Article I, Section 3, of the City Charter to organize and maintain the fire department and provide for the management and control of the same.

Authority to enter into this Agreement has been given by the Council of the City of Glendale on October 14, 2003.

CITY OF GLENDALE, a municipal Corporation

City Manager

ATTEST:

By: _____
City Clerk
City of Glendale

By: Ed. Beasley
Authorized Signature

City Manager
Name and title (if other than City Manager)

In accordance with the requirement of Section 11-952(D), Arizona Revised Statues, the undersigned attorney acknowledge: 1) that he/she has reviewed the above agreement on behalf of his/her respective clients; and 2) that, as to his/her respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the state of Arizona.

APPROVED AS TO FORM:

By: _____
City Attorney

CITY OF PHOENIX FIRE DEPARTMENT
REGIONAL DISPATCH SYSTEM
2003-2004 FEES AND CHARGES

EXHIBIT A to IGA #_____

CITY OF GLENDALE

I. Dispatch Service

The Dispatch Service fee is calculated at a rate of $8.75 per dispatch based on the total number of dispatches for the previous calendar year. The total number of incidents in calendar year 2002 was 19913. The dispatch charge for the period of July 1, 2003, through June 30, 2004 is $174,238.75.

Formula	# Dispatches	Amount Due
$8.75/Dispatch	19913	**$174,238.75**

II. (1) Technical Service

SYSTEM	EQUIPMENT BASE	PER UNIT FEE	TOTAL FEE
Generation 1 Fire Station Dispatch Package	7	$888.00	$6,216.00
Generation 2 Fire Station Dispatch Package	1	$2,000.00	$2,000.00
Mobile Data Terminal	29	$1,428.00	$41,412.00
Mobile Computer Terminal	0	$2,500.00	$0.00
Automatic Vehicle Location	18	$400.00	$7,200.00
AirMobile MCT Update System	0	$2,000.00	$0.00
Computing Infrastructure	1	$500.00	$500.00
PCMSS License/Support	0	$260.00/license	$0.00
Aerial Photos	(58 SqM)	$40.00/sqM	$2,320.00
Totals	56		**$59,648.00**

(2) General Maintenance Fee

In FY 2003-04, a general maintenance fee is allocated at $1,000 per piece of equipment. The total equipment base for the Glendale Fire Department is 56. The general maintenance fee totals $56,000.00 in 2003-04.

Formula	Equipment Base	Amount Due
$1,000/piece of equipment	56	**$56,000.00**

III. FY 2003-04 Total Dispatch and Technical Charges

The FY 2003-04 total Dispatch and Technical charges for the Glendale Fire Department are $289,886.75. The City of Phoenix will invoice Glendale Fire Department on a quarterly basis in the amount of $72,471.69.

IV. Initial Technology Investment

Initial technology investment fees are invoiced on the date ordered by the Glendale Fire Department and charged in accordance with the following schedule:

SYSTEM	INITIAL INVESTMENT FEE
Generation 2 Fire Station Dispatch Package	$20,000.00 + $5,000.00 per Occupied Bay
Mobile Computer Terminal	$15,000.00
AirMobile MCT Update System	$14,000.00
RMS/Computing Infrastructure	$5,000.00
Automatic Vehicle Location Equipment	$3,000.00
PCMSS License	$260.00

CITY OF PHOENIX REGIONAL WIRELESS NETWORK
800MHz INFRASTRUCTURE PAYMENTS
2003-2004

EXHIBIT B to IGA #_____

CITY OF GLENDALE

The following charges apply to the 800MHz Infrastructure Cost Recovery for the 2003-2004 Fiscal Year:

Glendale has agreed to reimburse the City of Phoenix the sum of $3,474,082.00 as their proportionate share of the infrastructure cost of the Phoenix Regional Wireless Network (PRWN), as agreed to in Amendment 1 to the FY 2001/02 Computer Aided Dispatch (CAD) contract.

Glendale has a payment due of $0.00 in FY 2003-04

The table below shows the payment schedule on the balance due for Glendale.

PAYMENT #	FY DUE	PRINCIPLE	INTEREST	TOTAL
1	2001-2002	$2,000,000.00	$0.00	$2,000,000.00
2	2002-2003	$1,474,082.00	$0.00	$1,474,082.00
3	2003-2004	$0.00	$0.00	ZERO BALANCE

RESOLUTION NO. 3709 NEW SERIES

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 CITY OF PHOENIX PERTAINING TO THE PARTICIPATION IN THE PHOENIX FIRE DEPARTMENT REGIONAL DISPATCH SYSTEM IN ORDER TO MORE EFFECTIVELY PROVIDE EMERGENCY FIRE, MEDICAL AND OTHER SERVICES.

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 an intergovernmental agreement with the City of Phoenix pertaining to the participation in the Phoenix Fire Department Regional Dispatch System be entered into, which agreement is now on file in the office of the City Clerk of the City of Glendale.

SECTION 2. That the Mayor or City Manager and the City Clerk are hereby authorized and directed to execute and deliver said agreement on behalf of the City of Glendale.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 14th day of October, 2003.

MAYOR

ATTEST:

City Clerk (SEAL)

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

City Manager

SIGNATURE PAGE

JURISDICTION: PHOENIX

The City of Phoenix, is authorized by Chapter II, Section 2(I), of the City Charter to join with other governmental entities by contract for the exercise of its powers and is further authorized by Chapter IV, Section 2, of the City Charter to organize and maintain the fire department and provide for the management and control of the same.

Authority to enter into this Agreement has been given by the Council of the City of Phoenix on _____, 2003.

CITY OF PHOENIX, a municipal Corporation
FRANK FAIRBANKS,
City Manager

ATTEST:

By: _____
DEPUTY City Clerk
City of Phoenix

By: _____
Alan V. Brunacini, Fire Chief

In accordance with the requirement of Section 11-952(D), Arizona Revised Statutes, the undersigned attorney acknowledges: 1) that he/she has reviewed the above agreement on behalf of his/her respective clients; and 2) that, as to his/her respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the state of Arizona

APPROVED AS TO FORM:

By: _____
ACTING City Attorney, City of Phoenix

File #: 14-393, **Version:** 1

AMENDMENTS TO CITY COUNCIL GUIDELINES
Staff Contact: Brent Stoddard, Director, Intergovernmental Programs

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing an amendment to the City Council Guidelines to eliminate carryover of Council District Improvement Funds and to make non-substantial grammatical revisions.

Background

Each year as part of the budget, every Glendale Councilmember receives two budgeted accounts identified as "Councilmember Budget/Expense Account" and "Council District Improvement Funds." These accounts are often referred to as "Council Discretionary funds" and are used for a number of purposes that will benefit the city and meet applicable budget expenditure laws. These funds are independent of the separate Council Office budget, which funds staff, supplies and operational costs. The Mayor's Office historically has not received discretionary funding.

Carry-Over Provision
As part of the budget structure adopted in the early 2000's, any unused funds in the Council District Improvement Fund at the end of the fiscal year began to be carried-over into the next fiscal year (in addition to the annual $15,000 distribution), allowing a rolling balance to accumulate over multiple years.

There is no policy concerning carry-over in this fund, and it appears to be an optional practice. The council guidelines and policies specifically prohibit a carry-over in the Council Budget/Expenditure accounts.

Council agreed at the September 2, 2014 workshop to end the practice of carry-over for the Council District Improvement Funds beginning in Fiscal Year 2015-2016. This change requires a change to the formal Council Guidelines which have been adopted by resolution. The update also includes various non-substantial grammatical and formatting corrections to the document.

Previous Related Council Action

During the September 2, 2014 City Council Workshop, the Council discussed the City Council Guidelines regarding Council District Improvement Funds. Council agreed that unused District Improvement Funds would not carry over to subsequent years.

At the May 20, 2014 Council Workshop, Vice Mayor Knaack asked for a Council Item of Special Interest to discuss the City Councilmember's budgets. Vice Mayor Knaack specifically requested information on how

other cities use Council discretionary funds. Vice Mayor Knaack expressed interest in the Council developing more concrete guidelines for their Council accounts.

Community Benefit/Public Involvement

The Council Discretionary funds are used for a number of purposes deemed important to the Councilmember and their district.

RESOLUTION NO. 4895 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING THE "THIRD AMENDMENT TO GLENDALE, AZ CITY COUNCIL GUIDELINES."

WHEREAS, the Mayor and City Council adopted the "Glendale, AZ City Council Guidelines" by Resolution No. 4269 New Series on May 26, 2009; and

WHEREAS, the Mayor and City Council amended the Glendale AZ City Council Guidelines by Resolution No. 4635 on January 8, 2013; and

WHEREAS, the Mayor and City Council amended the Glendale, AZ City Council Guidelines by Resolution No. 4722 on September 10, 2013; and

WHEREAS, the Mayor and the City Council agree that Glendale, AZ City Council Guidelines previously adopted are, and continue to be, fundamentally important to the effective conduct of the public's business; and

WHEREAS, the Glendale, AZ City Council Guidelines represent an agreed upon set of behaviors that will be utilized in the performance of the Mayor's and City Council's duties as policy makers and representatives of their constituencies.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. The document known as the "Glendale, AZ City Council Guidelines," is hereby approved, three copies of which are on file in the office of the City Clerk, and is hereby adopted and said copies are ordered to remain on file with the City Clerk.

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_guidelines amended

City Council Guidelines
City of Glendale, AZ
Adopted: November 24, 2014

Glendale, AZ

City Council Guidelines

City Council Guidelines
City of Glendale, AZ
Adopted: November 24, 2014

INTRODUCTION

The Mayor and City Council agree to the following as fundamentally important to the effective and efficient conduct of the public's business. The Guidelines as adopted represent an agreed upon set of behaviors that will be evident in the performance of their duties as policy makers and representatives of their constituencies.

GLOSSARY OF TERMS

To avoid confusion in understanding the intent of this document the following defines important terms being used:

- Council - The Council shall consist of a Mayor and six (6) other members to be elected by the qualified electors of the City of Glendale.
- Councilmember - Refers to each individual constituting the Council and includes the Mayor, unless specifically excluded or referred to by the title Mayor.
- Mayor - The Mayor is the chairman of the Council and presides over its deliberations. When it is necessary to specifically identify the Mayor as separate from the other Councilmembers, the term "Mayor" is used.

1. STAFF ASSISTANCE FOR COUNCILMEMBERS

The City Manager's Office will respond to requests from Councilmembers for information, assistance or research calling for multi-departmental involvement. City Manager will designate staff to assign these requests to appropriate City staff and to track progress on the assignments. Councilmembers must use this process when contacting the City Manager's Office for assistance.

Requests that involve more than eight hours of staff work by non-Council staff, a multi-department approach or expenditure of city monies other than budgeted Council funds, must go through the process for placement of an item on the Workshop Agenda. The staff will be responsible for reporting such requests to the City Manager's office where the designee will notify the Councilmember(s) who made the original request.

2. PLACING ITEMS OF SPECIAL INTEREST ON A WORKSHOP AGENDA

1. "City Council Workshop Items of Special Interest" is listed on every Workshop agenda. This item will be a standing item and will be placed last on the Workshop agenda.
2. Under that agenda item, Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.
3. Each item introduced is referred to the City Manager for preparation of a brief initial assessment report including resources required, impact on other projects, relationship to work program priorities and Council strategies, and other related observations.
4. Effective 09/10/2013;in 60 days the City Manager, or designated management staff, will report back to the Council on each item during a regularly scheduled Workshop. An update will be provided within 30 days to indicate the progress and status of the item and a final recommendation will be brought forward within 60 days. If for any reason, a Workshop is not scheduled shortly after the 60 day time period, the report will be presented at the next regularly scheduled Workshop. Council will then determine if they want to pursue any item further through more detailed analysis and/or policy action.
5. Council gives direction to the City Manager regarding the disposition of items discussed.

   (Above section amended January 8, 2013by Resolution, No. 4635 and September 10, 2013 by Resolution No. 4722 New Series.)

3. COUNCILMEMBER BUDGET/EXPENSES

Each Councilmember elected from a district is provided $18,000 each budget year for various expenses that willbenefit the City of Glendale and meet applicable budget expenditure laws. For example, the monies may be used for postage, attending conferences and seminars, equipment, and newsletters. Items purchased are for the use of the Councilmembers during their tenure, for City business only, and remain the property of the City of Glendale. All bidding requirements and conditions of the City's Purchasing Ordinance must be met. Monies not expended may not be carried over to subsequent years. The Mayor is not included in this appropriation.

4. COUNCIL DISTRICT IMPROVEMENT FUNDS

Each Councilmember elected from a district is provided $15,000 each budget year for projects related to the placement, replacement or enhancement of facilities or equipment within the City of Glendale. Monies not expended may not be carried over to subsequent years. The Mayor is not included in this appropriation.

When a Councilmember determines a use for the funds, Council staff requests information from the relevant department. The department obtains cost estimates based on the project scope as outlined by the Councilmember. After cost estimates have been obtained, Council staff completes a District Improvement form and sends to the Councilmember for comment and approval.

Departmental staff is responsible for making sure that all requirements of the City's Purchasing Ordinance have been met. If necessary, the assigned staff will be responsible for preparation, approval of and monitoring of agreements or contracts**.**

The Intergovernmental Programs Director must approve requests or other financial documents.

The Council staff retains copies of the related paperwork to follow up and ensure that District Improvement funds are properly tracked.

The District Improvement fund accounts are charged for all expenses associated with the project with the exception of departmental charge backs for internal labor expenses.

Ongoing maintenance costs of capital projects enabled through this funding mechanism must be paid from related district funds in future years.

5. CITY TRAVEL POLICY

The Council agrees to conform to the regulations that govern all City employees on this matter. Accordingly, the current City Travel Policy is attached and will be replaced as changes are made in the future. *See attachment A: Travel Policy, 8th Revision, 06/27/2014.*

6. OFFICIAL INVITATION EXPENSES

The City will cover expenses for any Councilmember and a guest at local events when the Councilmember and guest are jointly invited and the Councilmember is serving in an official capacity. The City does not otherwise reimburse Councilmembers for expenses incurred by their guests.

7. COUNCIL RETREAT

At a mutually agreed upon date, the Council will hold an annual retreat to discuss Council goals and other important issues. **8. SELECTION AND RESPONSIBILITIES OF THE VICE MAYOR**

The Vice Mayor is selected by a majority vote of the Council. Effective August 13, 2013, at the first workshop of January in 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. The selected Councilmember will serve for the remainder of the one-year term.

> ***City Charter: 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. (3-15-88)*

9. COUNCIL COMMITTEES

At the first Workshop in June of each year, the Council will appoint membership to standing Council committees for the following fiscal year. The Mayor will ask the Councilmembers to indicate which committee they wish to serve on.

Each committee will be comprised of three members. The members of each committee will select their own chairperson at the first committee meeting. Councilmembers may not serve as Chairperson of more than one committee at a time unless the number of committees is greater than the number of Councilmembers. In that case, the limit is two chairmanships.

Effective August 13, 2013, a two-year consecutive term limit with appointment annually for membership of councilmembers on Council subcommittees begins.

If new Councilmembers are seated prior to the annual selection of committee membership, the new Councilmembers will fill vacant committee positions for the remainder of the one-year term.

If any Councilmember wishes to add, delete or adjust any committee, the process indicated in City Council Guidelines, Section 2, "*Placing Items of Special Interest on Workshop Agenda*" is followed.

10. BOARD AND COMMISSION APPOINTMENTS

Board and Commission members will be appointed to serve by the Council in accordance with the Ordinance related to each Board and Commission. When vacancies occur, Councilmembers making recommendations to the Council are required to forward the application and his/her written recommendation to the Government Services Committee. The Government Services Committee will be responsible for reviewing the applications and making recommendations. The Committee will forward recommendations for Board and Commission membership and Chair designation to the full Council for discussion at Executive Session. The Council will approve Board and Commission members and the respective Chairs unless otherwise prescribed by ordinance. The appointment will be made when the majority of the Council agrees with a recommendation and a vote taken at a regular voting council meeting.

An appointment is made when the majority of the Councilmembers agree with a recommendation and a vote is taken at a regular voting council meeting. When consensus cannot be reached, the Councilmember will be responsible for bringing forward another nomination. Councilmembers should recommend appointment of individuals from their geographical district. If the district councilmember believes that an exception should be made, the issue shall be brought to the full Council for consideration.

If a Board or Commission member is not carrying out their assigned duties it is the responsibility of the Councilmember who recommended the appointment of the individual to counsel the member.

If a Board or Commission member has been properly counseled and is still not carrying out their assigned duties, the Code of Ethics addresses the removal of Board or Commission members for cause as follows, “Inappropriate behavior can lead to removal. Inappropriate behavior by a Board or Commission member should be communicated to the Chair of the Government Services Committee who will communicate to the Councilmember who presented the member for appointment. If inappropriate behavior continues, the situation will be brought to the attention of the Council and the individual is subject to removal from the Board or Commission in accordance with any applicable ordinance.”

11. CONSTITUENT CONTACTS IN ANOTHER COUNCILMEMBER’S DISTRICT

As a courtesy, Councilmembers agree to keep each other informed of requests, telephone or personal contacts with constituents, businesspersons, etc., which may be of interest to another Councilmember with potential impacts to them.

12. WRITTEN COMMUNICATIONS FROM COUNCILMEMBERS

"City letterhead may be used only when the Councilmember is representing and speaking on behalf of the City and within the Councilmember's official capacity. A copy of official correspondence should be given to the council office and Mayor's office staff to be maintained as a public record." *Sec. 4.c, Code of Conduct*

If the council member is representing the City, that Councilmember must consistently support and advocate the City's official position on an issue and cannot foster or further a personal viewpoint that is inconsistent with the official City position.

13. STATE/FEDERAL LOBBYING

"If a Councilmember appears before another governmental agency or organization to give a statement on an issue, the Councilmember must clearly state 1) whether his or her statement reflects personal opinion or is the official stance of the City; 2) whether this is the majority or minority opinion of the Council." *Sec. 4.a, Code of Conduct*

14. VIOLATIONS AND SANCTIONS

A. Process

(1) The first and most important step in this section is the requirement that the offended Councilmember address the concern with the offending Councilmember including a description of the specific action observed, the relationship of that event to the Council Guidelines and, if applicable, the impact it had on the offended Councilmember. The purpose of this first step is to assure that an attempt has been made to discuss the issue and resolve the conflict without proceeding further. This step requires no formal action and no involvement of other Councilmembers.

(2) Either party may request and both must agree, to seek a third party who will assist in facilitating the discussion toward a mutually satisfactory conclusion. If any expenses are incurred they will be paid for equally from the district funds of each member engaged in the mediation.

(3) If the situation cannot be settled through the process in steps (1) and (2), either Councilmember may choose to refer the concern to the entire Council for their review. The Council will serve as a committee of the whole for purposes of Council Guidelines violation and sanction consideration.

(4) To present the concern to the Council, the offended member must advise the offending Councilmember that the issue will be taken to the Council and subsequently ask the City Manager to post the issue for the earliest upcoming executive session. All laws pertaining to executive session will apply. Included in those rules is the option for the offending Councilmember to exercise their right to request that the discussion be held in an open hearing. The City Attorney's Office

will prepare a notice to the Councilmember or Councilmembers that are to be discussed in executive session as required by law.

(5) The Council will discuss the issue in order to:

a. become fully informed;
b. determine if there appears to be a violation of the Council Guidelines;
c. seek resolution without further action or, if necessary schedule the issue for an upcoming public hearing for final determination regarding whether a violation occurred and if necessary;
d. determine what sanction is most appropriate; customarily, sanctions are limited to a letter of reprimand or censure.

(6) A 2/3 vote of the Council at a regular voting council meeting will be required for a determination that a violation has occurred and likewise, a 2/3 vote for the sanction to be imposed.

(7) If a sanction is imposed, the language will follow a specific format to be established by the Council and used consistently as such situations occur.

B. Effects of Violations

The Council Guidelines document alone does not provide a basis for challenging the validity of any final enactment, resolution, decision, determination, or recommendation of the council, a board or a commission.

File #: 14-430, **Version:** 1

INDUSTRIAL COMMISSION OF ARIZONA SELF-INSURANCE RENEWAL AND SECURITY DEPOSIT EXEMPTION
Staff Contact: Jim Brown, Director, Human Resources & Risk Management

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt a resolution authorizing the approval of 2015 workers' compensation trust fund Industrial Commission of Arizona (ICA) self-insurance renewal and exemption from posting a security deposit. This resolution states the city provides sufficient funding to cover liabilities for workers' compensation claims and allows ICA to waive the requirement to post a security deposit.

Background

A.R.S §11-981 allows for self-insurance of its workers' compensation benefits. The ICA requires self-insured entities to provide documentation of their claims and liabilities to be accepted as a self-insurer. The ICA approves continuation of self-insurance annually. The Statute requires that to obtain a self-insured status, a security deposit or letter of credit must be posted in an amount equal to 125% of its liabilities. ICA Rule R20-5 -1114 allows public entities to be exempted from providing a security deposit:

- If they establish a self-insurance trust fund pursuant to A.R.S. §11-981
- Conduct an actuary report on an annual basis with a confidence level no less than 55%
- Maintain a balance above 125% of their liabilities
- Fund the trust sufficiently to cover actuarial liabilities in accordance with GASB #10
- Adequately fund the Trust to pay claims (above the minimum balance)
- Agree to notify the ICA if the Fund falls below the required minimum

The ICA asks for completion of the Workers' Compensation Liability Form which calculates the 125% security deposit. The completed form is attached. In addition the city provides documentation that supports the information which is detailed in the November 30, 2014 draft letter to ICA (also attached) and completes the Request for Exemption from Requirement to Post Statutory Deposit.

Analysis

The calculation for the 2015 security deposit is $3,815,988.88. The Unaudited Statement of Revenues, Expenses and Changes in Fund Net Assets (Budget Basis), attached, indicates the Workers' Compensation Fund balance projected as of 10/31/14 is $6,889,091. The Fund is adequately funded to meet the ICA requirements for self-insurance and waiving the posting of a security deposit.

The ICA also considers the actuarial report projection of the Fund balance needed to pay claims. If the

actuarial report minimum balance is greater than the ICA minimum requirement, the Fund must be maintained at the greater amount. The actuarial report completed from data extrapolated to June 30, 2014 recommended a minimum Fund balance at a 55% confidence level totaling $3,706,023. The Governmental Accounting Standards Board (GASB) Statement #10 is the generally accepted level to set accrued liabilities. The actuary forecasts the projection of claims payments that will fall within the forecast 5.5 out of 10 years. The actuarial forecast is less than the ICA minimum requirement. Therefore, the ICA minimum balance that would need to be maintained is $3,815,988.88.

Previous Related Council Action

Council passed, adopted and approved this action for the 2014 calendar year in November 2013.

Community Benefit/Public Involvement

Maintaining sufficient funding to cover liabilities provides the financial stability needed to meet the current and future workers' compensation claims obligations.

Budget and Financial Impacts

Requesting a waiver of the security deposit saves the City from depositing additional funds with the ICA.

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RESOLUTION NO. 4896 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, REQUESTING EXEMPTION FROM THE REQUIREMENT BY THE INDUSTRIAL COMMISSION OF ARIZONA TO POST SECURITY FOR THE CITY OF GLENDALE'S SELF-INSURED WORKERS' COMPENSATION CLAIMS.

WHEREAS, pursuant to the approved revised rules of The Industrial Commission of Arizona dated April 4, 2005, Section R20-5-1114, a statement is required from the City of Glendale, a chartered Arizona municipality and duly qualified Arizona Workers' Compensation self-insurer, requesting exemption from the requirements to post security for pending self-insured workers' compensation claims.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City of Glendale maintains a fully-funded workers' compensation trust fund pursuant to A.R.S. § 11-981 sufficient to cover actuarial liabilities for workers' compensation as determined by the self insurer in accordance with Glendale City Code Sec. 2-202(b) and the Government Accounting Standards Board Statement #10.

SECTION 2. That the City of Glendale provides funding to the workers' compensation trust fund each fiscal year sufficient to cover 125% of actuarial liabilities for workers' compensation as determined by the self-insurer in accordance with Glendale City Code Sec. 2-202(b) and the Government Accounting Standards Board Statement #10.

SECTION 3. That based upon the above statements, the City of Glendale meets the conditions required under subsection (A) of The Industrial Commission of Arizona Section R20-5-1114.

SECTION 4. That the City Manager or her designee shall immediately notify The Industrial Commission of Arizona and provide security as otherwise required by Section R20-5-1114, should the workers' compensation trust fund have insufficient funds to cover all workers' compensation liabilities of the City of Glendale.

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

rm_industrial comm

INDUSTRIAL COMMISSION OF ARIZONA
WORKERS' COMPENSATION LIABILITY FORM

1. **NAME OF SELF-INSURER:** City of Glendale

2. **EMPLOYEE COUNT** 2457 **Total Employee Count from prior anniversary date to current (W-2 count to include all full & part time employees that worked regardless of whether or not they are still employed). Explain decrease from prior year on separate cover.**

3. **SECURITY DEPOSIT CALCULATION**
   (Number of Claims, Incurred Liability and Paid amounts must be calculated from the ***Effective Date of Self-Insurance Authority to the present date***):

A	B	C	D	E	F	G	H
Total Amount of Open Claims	Incurred Medical	Paid Medical	Total Medical Owed (B – C = D)	Incurred Comp.	Paid Comp.	Total Comp. Owed (E – F = G)	TOTAL ALL CLAIMS (D + G = H)
103	$3,920,256.66	$3,025.248.42	$895,008.24	$3,946,225.83	$1,242,507.47	$2,703,718.36	$3,598,726.60

Total Owed from Column H: **$3,598,726.60**

Excess insurance reimbursement amount expected: $ 545,935.50

Net remaining liability: **$3,052,791.10**

Multiply by 125%: **$3,815,988.88**

Calculated Security Deposit: (minimum security deposit $100,000.00) **$3,815,988.88**

4. **Name of Excess Insurance Carriers providing reimbursement:** (provide detailed report with carrier name, SIR amount, claimant names, DOI and claim number, reimbursement amount requested)

Excess Carrier	SIR	Claimant	DOI	Excess Claim#	Reimbursement amount
National Union Fire	$250,000	Jeff Nobbe	01/14/2000	163-031675	$545,935.50

(List the Policy Year(s) of Reimbursement taken) 2000

I, Tom Duensing, attest that there is no affiliate relationship between the self-insurer and the excess insurance carrier and to the truthfulness of the above information.

Self-Insurers Authorized Representative Signature: _____

Printed Name/Title: Tom Duensing, Finance and Technology Director

DATE: _____ *** Must be signed by Designated Officer**

NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, PA

A CAPITAL STOCK COMPANY
ADMINISTRATIVE OFFICES

70 PINE STREET, NEW YORK, N.Y. 10270-0150

POLICY NUMBER:
415-97-35

RENEWAL OF:
4159013

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

INFORMATION PAGE

ITEM 1: Named Insured and Mailing Address
CITY OF GLENDALE
5850 W. GLENDALE AVENUE
GLENDALE AZ 85301-0000

ITEM 2: States (In which coverage is to apply) AZ

ITEM 3: Policy Period FROM: 07/01/99 TO 07/01/00 12:01 A.M. Standard Time at the Mailing Address shown herein

ITEM 4: Our Limit of Indemnity

PART ONE: WORKERS COMPENSATION

STATUTORY	-	Each Accident
STATUTORY	-	Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

$5,000,000	-	Each Accident
$5,000,000	-	Each Employee For Disease

ITEM 5: Your Retention

PART ONE: WORKERS COMPENSATION

$250,000	-	Each Accident
$250,000	-	Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

$250,000	-	Each Accident
$250,000	-	Each Employee For Disease

ITEM 6: Premium and Premium Computation

Estimated Total Annual Remuneration	$68,630,307
Rates Per $100 of Remuneration	0.0693
Deposit Premium	$47,561
Minimum Premium	$42,805

THIS POLICY INCLUDES THESE ENDORSEMENTS: SEE ATTACHED SCHEDULE

PRODUCER NAME AND ADDRESS:
MARSH USA INC.
3131 E. Camelback Road #400
Phoenix, AZ 85016
(602) 337-6300
FAX: (602) 337-6399

COUNTERSIGNED BY:

(AUTHORIZED REPRESENTATIVE)

Date Issued 07/22/99

November 30, 2014

Industrial Commission of Arizona
Attn: Renee Pastor
Self-Insurance Manager
800 W. Washington
Suite 301
Phoenix, AZ 85007

RE: 2015 Self-Insurance Renewal Request and Request for Exemption from Requirement to Post Statutory Deposit

Dear Ms. Pastor:

The City of Glendale submits its documentation for self-insurance authority. The City of Glendale, a public entity, meets the condition required under R20-5-1114 (A). A resolution was passed by the City Council on November 24, 2014 meeting the conditions outlined in R20-5-1114(A). I have provided the Council Report and a copy of the unsigned resolution. A copy of the resolution will be provided to the Commission once it is signed.

1. Attached is the complete Workers' Compensation Liability form, accompanied by a loss run that supplies individual claim backup information. The evaluation date is October 31, 2014.

2. Attached is the City of Glendale's loss run, referenced above.

3. The City of Glendale is a public entity and will be requesting an exemption to post the security deposit under item 6, below.

4. A copy of the City Excess insurance policy is attached. The completed Excess Recovery Claims form, as well as a copy of the 2014 electronic mail to Chartis Claims requesting excess reimbursement is attached.

5. Attached is the UNAUDITED Statement of Revenues, Expenses and Changes in Fund Net Assets – Budget Basis for the period 7/1/14 through 10/31/14. The City's trust fund balance is $6,889,091. The City's Annual Financial Report (CAFR) will be available December, 2014. We will provide the database link to access the report when it is published.

6. The City is requesting continuing an exemption from positing required security deposit pursuant to Rule 20-5-1114. The City has an established trust fund for payment of workers' compensation claims in accordance with City Ordinance Chapter 2, Administration, Article V., Financial Affairs, Division 5, Risk Management Trust Fund and Workers' Compensation Trust Fund.

7. The CAFR will be available December 2014. When it becomes available it can be found at www.glendaleaz.com/finance. When done, we will provide you with the report.

8. The City of Glendale's denial rate did not exceed 12% of the claims filed.

Additional information requested.

1. The City of Glendale has 2,423 employees (Full time: 1,783 Part time: 640).

2. The City's Third Party Administrator:

January 1-March 31, 2014	Effective April 1, 2014
Matrix Absence Management	CorVel Corporation
11221 North 28th Drive, Suite E100	1850 North Central Avenue, #1200
Phoenix, AZ 85029	Phoenix, AZ 85004
Tel. 602-866-2333 Fax 602-866-9707	Tel. 602-288-1838 Fax 866-392-2919

3. The City of Glendale points of contact:

Dianne Shoemake	Lorena Sanchez-Zumph
Risk Manager	Risk & Safety Analyst
5850 West Glendale Avenue	5850 West Glendale Avenue
Glendale, AZ 85301	Glendale, AZ 85301
Tel.: (623) 930-2856	Tel.: (623) 930-2857
Fax: (623) 915-2697	Fax: (623) 847-5322
dshoemake@glendaleaz.com	lsanchez@gendaleaz.com

4. The Commission determined the City of Glendale's 2013 EMF at 1.05.

5. The City of Glendale conducts an annual actuary report. Attached is actuarial study conducted by AON Risk Consultants as of June 30, 2014. A mid-year analysis through December 31, 2014 will be conducted in February, 2015.

6. The City of Glendale CAFR recommends a 55% confidence level.

7. The City of Glendale uses 0.52% discount percentage for investment returns.

I am pleased to report on the City of Glendale's financial outlook from negative to stable. Below is a summary of the strengths from the attached Moody's report. Several of these strengths are direct results of Council and staff's actions.

- Management's willingness to permanently increase the city's sales tax rate to support both operations and excise tax debt service
- Large tax base relative to peers benefitting from near-term recovery in property values
- Participation in Phoenix metro area's economy which is recovering from the recent economic downturn
- Reduced net costs of NHL's Coyotes to the city under an agreement with the team's current owners
- New management team in place since late 2013

In fact, our new Finance Director, Tom Duensing was selected to receive the "Turnaround of the Year" Award from the Phoenix Business Journal's Outstanding Chief Financial Officer Program. In less than 11 months, his expertise in municipal financing has resulted in a path to financial stability and a comprehensive 5-year forecast for the City.

The FY 2013/14 fourth quarter financial report (unaudited) indicates the General Fund expenditures are lower than forecast. The anticipated expenditures were expected to exceed revenues by $2.1 million. Instead, the preliminary results show revenues will outpace expenditures by about $7.8 million.

We would be glad to discuss any concerns that you have, answer any questions or provide additional documentation regarding the administration of the Workers' Compensation Trust Fund.

Sincerely,

Dianne Shoemake
Risk Manager

Enclosures:
Council Report, 11/24/2014
Signed Resolution (approved 11/24/2014) to be provided once signed
Workers Compensation Liability Form
Open Loss Run

DRAFT

Excess Recover Claims form
Excess Insurance Policy
Letter to Excess Carrier
Unaudited Statement of Revenues, Expenses and Changes in Fund Net Assets – Budget Basis
Actuarial Report - AON Risk Consultants

DRAFT

UNAUDITED
City of Glendale, Arizona
Workers Compensation
Statement of Revenues, Expenses and Changes in Fund Net Assets - **Budget Basis**
For the Period 7/1/14 - 10/31/14

	7/01/14 - 10/31/14	7/01/13 - 06/30/14
Operating revenues:		
Self-Insurance premiums	$ 631,382	$ 1,894,000
Operating expenses:		
Administrative and general	0	0
Insurance claims and premiums	507,929	1,297,854
Operating income (loss)	123,453	596,146
Nonoperating revenues (expenses):		
Investments	5,283	19,754
Miscellaneous Revenues	49,789	1,500,000
Other Fees	7,018	29,611
Operating Transfer In	0	-
Operating Transfer Out	0	-
Total nonoperating revenues	62,089	1,549,366
Net income (loss)	185,543	2,145,512
Net Assets, July 1, 2013		4,558,036
Net Assets, July 1, 2014	6,703,548	$ 6,703,548
Net Assets October 31, 2014	$ 6,889,091	

File #: 14-425, **Version:** 1

AUTHORIZATION TO ENTER INTO A SETTLEMENT AGREEMENT WITH WOOLF FAMILY ENTERPRISES FOR UNPAID INVOICES

Staff Contact: Deborah Robberson, Chief Deputy City Attorney
Brian Friedman, Director, Economic Development
Staff Presenter: Deborah Robberson, Chief Deputy City Attorney

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a Settlement and Mutual Release Agreement with Woolf Family Enterprises Limited Partnership (Woolf) to settle and compromise a dispute related to unpaid plan and engineering review fees.

Background

Woolf owns real property, commonly referred to as Woolf Crossing, located at approximately 15551 West Olive Avenue in the area bounded by Olive Avenue to the north, Reems Road to the east, Northern Avenue to the south, and Sarival Avenue to the west. In August 2005, Woolf's representative, a homebuilder that intended to purchase the property, filed a preliminary subdivision plat application that was subsequently approved by the Planning Commission in May 2006. In February 2007, Woolf's representative began submitting construction and engineering plans to the City of Glendale for review and approval. The City subsequently issued invoices for the plan and engineering review work totaling $288,256.59. (Miscellaneous Accounts Receivable Invoice numbers 50090, 50091, 50093, 50094, 50095, 50096, 50097, 50098, 50099, 50100, 50127, 50128, 50129, 50130, 50131, 50132, 50133, 50134, 50135, 50125, and 50126.)

The homebuilder eventually discontinued work on the development. Over the ensuing years, Woolf requested one-year extensions of the preliminary plat approval, with the final extension expiring on May 18, 2014. During this time, the City sought to collect the outstanding fees from Woolf, but Woolf disputed that it was liable for the unpaid invoices. The preliminary plat can no longer be extended and a new preliminary plat application must be filed. In order to move forward with development plans, Woolf desires to settle and compromise the dispute regarding the unpaid invoices.

Analysis

The City contends that Woolf is responsible for the unpaid invoices because it authorized, in writing, a third party to act on its behalf. Woolf contends that the third party is responsible for the unpaid invoices and that the fees for work performed are not collectible from Woolf. To date, the City has been unable to collect any portion of the unpaid invoices. In order to avoid the cost and uncertainty of litigation, staff negotiated with Woolf who has agreed to accept responsibility for most of the unpaid fees under the following terms:

- Woolf will make an initial payment of $25,000 to the City within 15 business days after the settlement agreement is executed.
- Woolf will authorize the recordation of a $234,200 property lien within 15 business days after the settlement agreement is executed.
- The lien amount shall be paid to the City upon one of the following triggers, whichever occurs first:
    - The date the sale of the property is closed;
    - The date the title to the property or any portion thereof is conveyed to a person or entity other than Woolf or its subsidiaries or affiliates; or,
    - Prior to the issuance of any permit by the City in connection with the development of the property or any portion thereof.
- Woolf or its authorized representative intends to submit a preliminary plat application and agrees the City will not process it until after the payment and lien recordation are executed.
- All fees associated with the new preliminary plat application will be collected in accordance with the current fee schedule and collection policies, and no portion of the aforementioned payment amounts will be credited to the new fees.

If approved, this Settlement Agreement would provide the means to collect $259,200 or about 90% of the unpaid invoices which have been uncollectible for over six years. Currently, the City's only opportunity to collect these fees is through litigation. The terms of the proposed Agreement are intended to provide the City with security for collection of the fees in the form of a property lien.

Community Benefit/Public Involvement

Entering into this Settlement Agreement would result in the City collecting a substantial portion of unpaid invoices that may otherwise remain uncollected, avoids the uncertainty and expense of litigation, and allows the opportunity to welcome new development to Glendale in the Loop 303 corridor.

Budget and Financial Impacts

There is no expenditure required by the City to enter into this Agreement.

RESOLUTION NO. 4897 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING ENTERING INTO A SETTLEMENT AGREEMENT AND MUTUAL RELEASE WITH WOOLF FAMILY ENTERPRISE LIMITED PARTNERSHIP FOR PAYMENT OF FEES FOR CITY SERVICES PREVIOUSLY RENDERED FOR THE REAL PROPERTY LOCATED IN THE AREA BOUNDED BY OLIVE AVENUE, REEMS ROAD, NORTHERN AVENUE, AND SARIVAL AVENUE IN GLENDALE, ARIZONA.

WHEREAS, Woolf Family Enterprise Limited Partnership, an Arizona Limited Partnership, ("Woolf") owns real property located at approximately 15551 West Olive Avenue, Glendale, Arizona in the area bounded by Olive Avenue, Reems Road, Northern Avenue, and Sarival Avenue; and

WHEREAS, this property is located within the City of Glendale municipal service area; and

WHEREAS, a dispute exists concerning unpaid invoices for services rendered in connection with a plat application for this property; and

WHEREAS, the City and Woolf desire to settle the dispute concerning past due amounts.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the City Manager or her designee is hereby authorized to execute and deliver the Settlement Agreement and Mutual Release with Woolf Family Enterprise Limited Partnership ("Settlement Agreement").

SECTION 2. That the City Manager and City Clerk are authorized and directed to record the Settlement Agreement in accordance with its terms and to execute any and all documents necessary to effectuate the Settlement Agreement

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

r_ woolf settlement agreement and mutual resease

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Agreement") is made and entered into between WOOLF FAMILY ENTERPRISES LIMITED PARTNERSHIP, an Arizona limited partnership ("Woolf") and the City of Glendale, an Arizona municipal corporation ("City") (each a "Party"; collectively, the "Parties") this ___ day of _____, 2014, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged.

RECITALS

A. Woolf owns approximately 288 acres of real property located at 15551 West Olive Avenue, Glendale, Arizona, Maricopa County Parcel Nos. 501-48-004G and 501-48-004H, generally known as Woolf Crossing and more particularly described on Exhibits "A" and "B" attached hereto ("Property").
B. In 2005, Element Homes, LLC submitted Preliminary Plat Application PP05-11 for the Property (the "Application").
C. The Application was filed with, and processed by, the City.
D. Beginning in 2007, the City performed plan and engineering review work in connection with the Application (the "Review Work"). Invoices for the Review Work totaling $288,256.59 remain unpaid (collectively, the "Unpaid Invoices").
E. The Property has not been developed in accordance with the Application.
F. Woolf desires to develop the Property and intends to submit a new preliminary plat application.
G. A dispute exists concerning Woolf's obligation to pay for the Review Work. The City contends that Woolf authorized Element Homes to act on its behalf to process the Application and Woolf is, therefore, responsible for the Unpaid Invoices and that full payment must be made prior to the City performing any additional review services in connection with the Property. Woolf contends that Element Homes is solely responsible for the Unpaid Invoices and that fees for the Review Work are not collectible from Woolf or its successors or assigns.
H. The Parties desire to settle and compromise this dispute under the terms set forth herein. This Agreement does not constitute an admission as to any fact, legal principle, or liability by any Party.

SETTLEMENT TERMS

In consideration of the agreements, mutual covenants, conditions, promises and releases contained herein, and with reference to the foregoing facts, the Parties to this Agreement agree as follows:

1. The Recitals are adopted herein by reference.

2. SETTLEMENT PAYMENT. In full and complete settlement of the Unpaid Invoices in connection with Preliminary Plat Application PP05-11, Woolf shall pay to the City the sum of $259,200 (the "Settlement Payment") as follows:

2.1. An initial payment of $25,000 via either (i) wire transfer to the account determined by the City within fifteen (15) business days of the Effective Date of this Agreement; or (ii) cashier's check delivered to the Office of Economic Development, on behalf of City. For purposes of this Agreement, "Effective Date" is the date the Agreement has been signed by all Parties.

2.2. A final payment of $234,200 payable in the manner provided in Section 2.1 above on the earliest of the following:

2.2.1. The date the sale of the Property (or any portion of the Property) is closed; or

2.2.2. The date the title to the Property (or any portion of the Property) is conveyed to a person or entity other than Woolf, other than a subsidiary or an affiliate of Woolf; or

2.2.3. Prior to the issuance of any permit by the City in connection with the development of the Property (or any portion of the Property).

For purposes of this Section 2, a "subsidiary" or "affiliate" of Woolf shall mean the following:

(i) An "affiliate" shall mean any entity which controls or is controlled by or is under common control with Woolf. For this purpose "control" shall mean the possession of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities or by contract.

(ii) A "subsidiary" shall mean any entity not less than fifty percent (50%) of whose interest shall, at the time, be owned directly by Woolf.

3. PROPERTY LIEN. Woolf authorizes the City to record this Agreement or a Memorandum of Agreement within fifteen (15) business days of the Effective Date of this Agreement, which will serve as notice of Woolf's obligation for the final payment referred to in Section 2.2, above and as a cloud on the Property's title as security for such final payment. Upon complete satisfaction of all of Woolf's obligations hereunder, City shall execute a release in form reasonably acceptable to Woolf to fully release the Lien and remove the same as an encumbrance to the Property.

4. NEW PRELIMINARY PLAT. Woolf intends to submit or cause to be submitted a new preliminary plat application for the Property and agrees that the application will not be processed by the City until after the initial payment of $25,000 to the City and after the Lien is recorded pursuant to this Agreement. All City fees, including but not limited to application and plan and engineering review fees, associated with a new preliminary plat will be assessed and collected in accordance with the

then-existing City fee schedule and collection policies, and no fee credit of any kind shall be applied to future work performed by the City in connection with the Property.

5. RELEASE.

5.1. Woolf, for itself, its officers, directors, employees, agents, Related Entities (defined in Section 5.3 below), successors and assigns, releases and forever discharges the City and its officials, officers, directors, employees, agents, successors and assigns from any and all past, present and future actions, causes of action, claims, party actions, suits at law or in equity, including claims or suits for contribution and/or indemnity, of whatever nature, and all general, special, and consequential damages, whether known or unknown at this time, which have or may result from any actions, actions, errors, and omissions of the City to the Effective Date of this Agreement and that are in any way related to the Review Work or Unpaid Invoices This release extends to all claims that could have been asserted in any lawsuit on the Effective Date of this Agreement relating to the Review Work or Unpaid Invoices.

5.2. The City , for itself, its officers, directors, employees, agents, successors and assigns, releases and forever discharges Woolf and its officials, officers, directors, shareholders, employees, agents, Related Entities, successors and assigns from any and all past, present and future actions, causes of action, claims, party actions, suits at law or in equity, including claims or suits for contribution and/or indemnity, of whatever nature, and all general, special, and consequential damages, whether known or unknown at this time, which have or may result from any actions, actions, errors, and omissions of Woolf to the Effective Date of this Agreement and that are in any way related to the Review Work or Unpaid Invoices. This release extends to all claims that could have been asserted in any lawsuit on the Effective Date of this Agreement relating to the Review Work or Unpaid Invoices; provided however that this release shall not apply to any claims by the City against Woolf or Related Entities (defined in Section 5.3 below) for City fees for any future work related to the Property.

5.3. "Related Entities" means with respect to Woolf, any other corporation, Limited Liability Company or partnership controlling, or controlled by, or under common control of Woolf. For the purposes of this section 5.3, "control" means the power to direct the management and policies of such entity, whether through the ownership of voting securities or contract; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

6. MISCELLANEOUS.

6.1. Each party to this Agreement represents and warrants to each other party to this Agreement that each has full power, capacity and authority to enter into this Agreement.

6.2. As used herein, the term "business day" shall mean a day other than a Saturday, Sunday or holiday on which the City's offices are closed.

6.3. Each of the Parties hereto agrees to execute and deliver to each of the other Parties hereto all additional documents required to implement the terms and conditions of this Agreement.

6.4. The Parties agree that the rights and obligations arising out of the Agreement, and each of its terms, shall run with the land and shall inure to the benefit of and be binding upon the successors, assigns, heirs, executors, administrators and permitted legal representatives of the Parties, and each of them, to the same extent as if specified at length throughout this Agreement.

6.5. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the prevailing party shall be entitled to recover from the unsuccessful party all costs, expenses and reasonable attorney's fees incurred by the prevailing party (including, without limitation, such costs, expenses and fees on appeal) and, if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and fees, including those of expert witnesses and attorney's fees, shall be included as part of the judgment.

6.6. This Agreement contains the entire and final agreement and understanding concerning the subject matter herein, and supersedes, cancels and replaces any prior negotiations or agreements between the Parties relating to the Review Work and Unpaid.

6.7. This Agreement is made and entered into in the State of Arizona, and shall in all respects be interpreted, enforced and governed by and under the laws of the State of Arizona, including any disputes hereunder, and shall be construed according to its fair meaning. This Agreement shall be construed without regard to the identity of the person who drafted its various provisions; each and every provision of this Agreement shall be construed as though each of the Parties participated equally in drafting same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement. The paragraph and section headings herein have been inserted for convenience only, and shall not be construed or referred to in resolving questions of interpretation or construction.

6.8. The failure by either party to enforce against the other any term or provision of this Agreement shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision.

6.9. The Parties may execute duplicate originals of this Agreement, or any documents they are required to sign or furnish hereunder, in counterparts, any of which shall be deemed to be the original if fully executed by all of the Parties

6.10. This Agreement may not be amended, altered, modified or otherwise changed except in a writing that is signed by the party against whom the change is alleged to be effective and expressly stating that it is an amendment of this Agreement.

6.11. If any part of this Agreement is held by a court of competent jurisdiction to be unenforceable, the remainder of this Agreement shall continue to remain in full force and effect.

6.12. The signators below represent and warrant that each has authority to enter this Agreement on behalf of and bind hereto each party for whom/which he or she signs.

(Signatures on Following Page)

CITY OF GLENDALE, an Arizona municipal corporation

Brenda S. Fischer, City Manager

Date: _____

ATTEST:

Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

Michael D. Bailey, City Attorney

WOOLF FAMILY ENTERPRISES LIMITED PARTNERSHIP, an Arizona limited partnership

By: S. WOOLF GROUP, INC.,

Its: Managing Partner

By: Leyton Woolf
Its: President

Date: November 17, 2014

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 17th day of November, 2014, 2013, by Leyton Woolf in his/her capacity as authorized representative of WOOLF FAMILY ENTERPRISES an Arizona limited Partnership.

Notary Public

My Commission Expires:

December 23, 2015

LAURA M. KRATOCHVIL
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
December 23, 2015

EXHIBIT A
Legal Description of Property

THAT PORTION OF SECTION 31, TOWNSHIP 3 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" REBAR ACCEPTED AS THE NORTHWEST CORNER OF SAID SECTION 31 FROM WHICH A MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HAND HOLE ACCEPTED AS THE NORTHEAST CORNER OF SAID SECTION 31 BEARS SOUTH 89 DEGREES 02 MINUTES 25 SECONDS EAST A DISTANCE OF 4876.07 FEET:

THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 31, SOUTH 89 DEGREES 02 MINUTES 25 SECONDS EAST A DISTANCE OF 2240.36 FEET TO AN ALUMINUM CAP STAMPED WITH RLS #19854 ACCEPTED AS THE NORTH QUARTER THEREOF;

THENCE CONTINUING ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31, SOUTH 89 DEGREES 02 MINUTES 25 SECONDS EAST A DISTANCE OF 1156.16 FEET;

THENCE LEAVING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 31 WHICH BEARS SOUTH 00 DEGREES 00 MINUTES 28 SECONDS EAST A DISTANCE OF 2618.40 FEET;

THENCE NORTH 89 DEGREES 27 MINUTES 50 SECONDS WEST A DISTANCE OF 34.02 TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 5868.89 FEET, THE CENTER OF WHICH BEARS NORTH 81 DEGREES 05 MINUTES 37 SECOND WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 21 DEGREES 11 MINUTES 04 SECONDS, AN ARC LENGTH OF 2169.97 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 606.82 FEET TO A POINT ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 31;

THENCE ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, NORTH 89 DEGREES 16 MINUTES 38 SECONDS WEST A DISTANCE OF 401.47 FEET TO AN ALUMINUM CAP STAMPED WITH RLS #19854 ACCEPTED AS THE SOUTH QUARTER CORNER OF SAID SECTION 31;

THENCE CONTINUING ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 31, NORTH 89 DEGREES 16 MINUTES 38 SECONDS WEST A DISTANCE OF 2265.44 FEET TO A MARICOPA COUNTY DEPARTMENT OF TRANSPORTATION ALUMINUM CAP IN HAND HOLE STAMPED #29891 ACCEPTED AS THE SOUTHWEST CORNER OF SAID SECTION 31;

THENCE ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER, NORTH 00 DEGREES 15 MINUTES 45 SECONDS EAST A DISTANCE OF 421.05 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 935.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 56 DEGREES 36 MINUTES 48 SECONDS, AN ARC LENGTH OF 923.86 FEET;

THENCE NORTH 56 DEGREES 52 MINUTES 33 SECONDS EAST A DISTANCE OF 619.00 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 935.00 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 56 DEGREES 37 MINUTES 15 SECONDS, AN ARC LENGTH OF 923.99 FEET;

THENCE NORTH 00 DEGREES 15 MINUTES 18 SECONDS EAST A DISTANCE OF 625.22 FEET TO THE BEGINNING OF A CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 935.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 02 MINUTES 35 SECONDS, AN ARC LENGTH OF 978.83 FEET;

THENCE NORTH 59 DEGREES 47 MINUTES 17 SECONDS WEST A DISTANCE OF 409.06 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1068.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 60 DEGREES 03 MINUTES 26 SECONDS, AN ARC LENGTH OF 1119.47 FEET TO THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 31;

THENCE NORTH ALONG SAID WEST LINE, 00 DEGREES 16 MINUTES 09 SECONDS EAST A DISTANCE OF 392.92 FEET TO THE **POINT OF BEGINNING**.

EXCEPT ANY PORTION LYING WITHIN PROPERTY CONVEYED TO MARICOPA COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF ARIZONA, BY WARRANTY DEED RECORDED AS 2011-0098865 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 31 MONUMENTED BY A BRASS CAP IN HANDHOLE BEARING SOUTH 00 DEGREES 00 MINUTES 58 SECONDS WEST, A DISTANCE OF 2632.27
FEET FROM THE NORTHEAST CORNER OF SAID SECTION 31, MONUMENTED BY A BRASS CAP IN HANDHOLE;

THENCE NORTH 89 DEGREES 08 MINUTES 36 SECONDS WEST, ALONG THE EAST-WEST MID-SECTION LINE OF SAID SECTION 31, A DISTANCE OF 265.03 FEET TO THE **POINT OF BEGINNING**;

THENCE DEPARTING SAID MID-SECTION LINE, SOUTH 00 DEGREES 04 MINUTES 45 SECONDS WEST, ALONG A LINE PARALLEL WITH AND 265.00 FEET WEST OF THE EAST LINE OF SECTION 31, A DISTANCE OF 93.05 FEET;

THENCE NORTH 89 DEGREES 51 MINUTES 10 SECONDS WEST, A DISTANCE OF 241.21 FEET;

THENCE NORTH 85 DEGREES 10 MINUTES 58 SECONDS WEST, A DISTANCE OF 550.00 FEET;

THENCE NORTH 89 DEGREES 23 MINUTES 32 SECONDS WEST, A DISTANCE OF 650.00 FEET;

THENCE SOUTH 87 DEGREES 42 MINUTES 33 SECONDS WEST, A DISTANCE OF 1475.00

FEET; THENCE SOUTH 82 DEGREES 49 MINUTES 17 SECONDS WEST, A DISTANCE OF 354.91

FEET; THENCE NORTH 00 DEGREES 15 MINUTES 18 SECONDS EAST, A DISTANCE OF 436.61

FEET; THENCE SOUTH 83 DEGREES 35 MINUTES 52 SECONDS EAST, A DISTANCE OF 530.84

FEET; THENCE NORTH 88 DEGREES 38 MINUTES 55 SECONDS EAST, A DISTANCE OF 1660.00

FEET; THENCE NORTH 85 DEGREES 09 MINUTES 28 SECONDS EAST, A DISTANCE OF 360.00

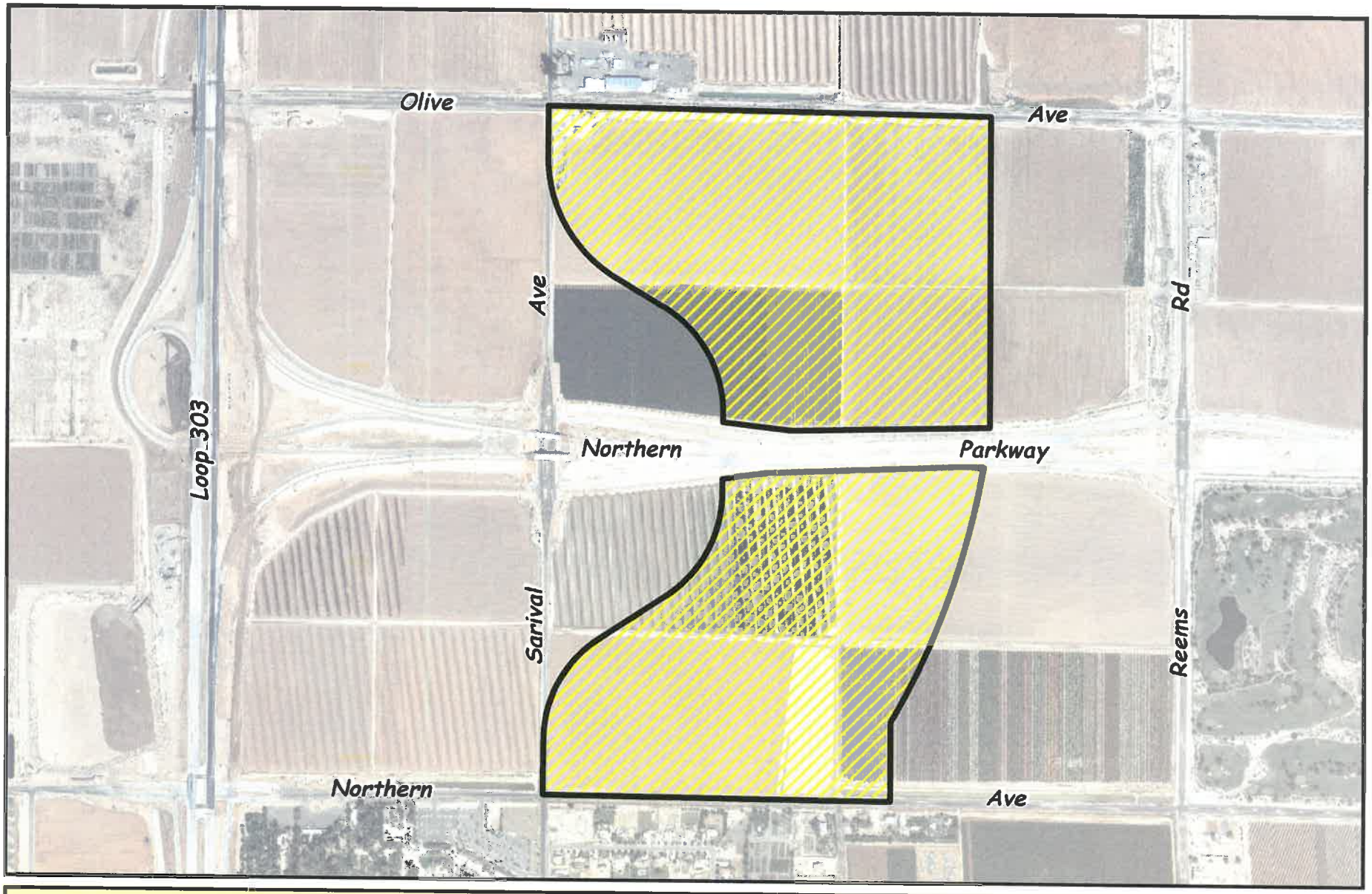
FEET; THENCE NORTH 76 DEGREES 45 MINUTES 28 SECONDS EAST, A DISTANCE OF 700.00

FEET; THENCE SOUTH 89 DEGREES 59 MINUTES 07 SECONDS EAST, A DISTANCE OF 36.32

FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 58 SECONDS WEST, A DISTANCE OF 464.64 FEET TO THE **POINT OF BEGINNING**.

EXHIBIT B
Property Map
(next page)



Woolf Crossing

GLENDALE GIS

File #: 14-417, **Version:** 1

REZONING APPLICATION ZON14-02 (ORDINANCE) Copper Cove 4 (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

Purpose and Recommended Action

This is a request by D.R. Horton, Inc., for City Council to approve a rezoning application of 1.013 acres of land from A-1 (Agricultural) to R1-4 PRD (Single Residence, Planned Residential Development) on a parcel located approximately 1,320 feet north of the northeast corner of 95th Avenue and Camelback Road.

Staff is requesting City Council to conduct a public hearing, waive reading beyond the title, approve and adopt an Ordinance for ZON14-02 subject to the stipulation as recommended by the Planning Commission.

Background

The subject parcel was part of a 58-acre section of land annexed into the City of Glendale on May 22, 2003. The undeveloped 1.013-acre site was created as a separate tax parcel from the larger section of land through a recording with the Maricopa County Assessor's Office. This 1.013-acre property is now surrounded to the north, east and south by the Copper Cove Subdivision. The R1-4 PRD zoning would allow the parcel to be incorporated into the Copper Cove Subdivision and subdivided into four lots. A companion land use request for Preliminary Plat approval (PP14-01) to create these four lots has been reviewed and approved by the Planning Commission on October 2, 2014.

Analysis

This undeveloped property is presently zoned A-1 (Agricultural). The City of Glendale's General Plan designates the site as Medium-High Density Residential (MHDR), 5-8 du/ac.

The current A-1 zoning district limits this undeveloped parcel of land to one single-family residence. Rezoning to R1-4 PRD would allow the site to begin the process of becoming four additional lots that would be incorporated into the previously approved Copper Cove Subdivision. At present, Copper Cove is approved for 177 single-family residences. With a full range of urban services available to the site, the parcel is better suited for an R1-4 PRD designation than the existing A-1 district.

Currently, the property has frontage along North 95 th Avenue. If the property is rezoned and allowed to be subdivided, access for future development to the site would be provided from North 94 th Lane, a new road section of the Copper Cove Subdivision.

Community Benefit/Public Involvement

Planning staff received no inquiries or comments from nearby property owners or concerned citizens regarding this request. The applicant's Citizen Participation Final Report is attached.

A Notice of Public Hearing was published in *The Glendale Star* on November 6, 2014. On November 7, 2014, notification postcards of the public hearing were mailed to adjacent property owners and interested parties. The property was posted by the applicant on November 7, 2014.

ORDINANCE NO. 2916 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, REZONING PROPERTY LOCATED APPROXIMATELY 1,320 FEET NORTH OF THE NORTHEAST CORNER OF 95TH AVENUE AND CAMELBACK ROAD FROM A-1 (AGRICULTURAL DISTRICT) TO R1-4 PRD (SINGLE RESIDENCE, PLANNED RESIDENTIAL DEVELOPMENT OVERLAY); AMENDING THE ZONING MAP; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Glendale Planning Commission held a public hearing on October 2, 2014 in zoning case ZON14-02 in the manner prescribed by law for the purpose of rezoning property located approximately 1,320 feet north of the northeast corner of 95th Avenue and Camelback Road from A-1 (Agricultural District) to R1-4 (Single Residence, Planned Residential Development overlay);

WHEREAS, due and proper notice of such Public Hearing was given in the time, form, substance and manner provided by law including publication of such notice in *The Glendale Star* on September 11, 2014; and

WHEREAS, the City of Glendale Planning Commission has recommended to the Mayor and the Council the zoning of property as aforesaid and the Mayor and the Council desire to accept such recommendation and rezone the property described on Exhibit A as aforesaid.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That a parcel of land in Glendale, Maricopa County, Arizona located approximately 1,320 feet north of the northeast corner of 95th Avenue and Camelback Road and more accurately described in Exhibit A to this ordinance, is hereby conditionally rezoned from A-1 (Agricultural District) to R1-4 PRD (Single Residence, Planned Residential Development Overlay).

SECTION 2. That the rezoning herein provided for be conditioned and subject to the following:

1. Any future development on this property shall be in substantial conformance with the Copper Cove 4 submittal dated June 6, 2014.

SECTION 3. Amendment of Zoning Map. The City of Glendale Zoning Map is herewith amended to reflect the change in districts referred to and the property described in Section 1 above.

SECTION 4. Effective Date. This Ordinance shall become effective at the time and in the manner prescribed by law.

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

zon_14_02

EXCERPT OF THE DRAFT MINUTES
CITY OF GLENDALE PLANNING COMMISSION

CITY COUNCIL CHAMBERS
5850 WEST GLENDALE AVENUE
GLENDALE, ARIZONA 85301

THURSDAY, OCTOBER 2, 2014
6:00PM

Tom Dixon, Senior Planner, stated he will be presenting these two items jointly since they are on the same property; however, the Commission must have a separate motion for each item.

> **ZON14-02:** A request by Bowman Consulting Group, representing D.R. Horton, Inc., to rezone 1.013 acres from A-1 (Agricultural) to R1-4 PRD (Single Residence, Planned Residential Development overlay). The site is located approximately 1,320 feet north of the northeast corner of 95th Avenue and Camelback Road and is in the Yucca District.
>
> **PP14-01:** A request by Bowman Consulting Group, representing D.R. Horton, Inc., to subdivide a 1.013-acre parcel into four lots ranging in size from 7,200 to 7,500 square feet. The property will become part of the Copper Cove Subdivision. The site is located approximately 1,320 feet north of the northeast corner of 95th Avenue and Camelback Road and is in the Yucca District.

Tom Dixon, Senior Planner, stated this was a request by Bowman Consulting Group, representing D.R. Horton, Inc., to rezone 1.013 acres from A-1 to R1-4 PRD. He said the site is located approximately 1,320 feet north of the northeast corner of 95th Avenue and Camelback Road and is in the Yucca District. He stated the subject site was created as a separate parcel through a recording with the Maricopa County Assessor's Office. He indicated that action split the 1.013-acre property from the associated 58-acre site that surrounds it on three sides and has now been platted as Copper Cove 1, 2, and 3. He noted the existing Copper Cove 1, 2 and 3 development has been platted into a 177-lot, three phased project. He stated this site as well as the entirety of the Copper Cove Subdivision was part of an annexation into the City of Glendale on May 22, 2003.

He explained the purpose of the rezone is to allow the property to be subdivided into four residential lots and incorporate those into the previously approved Copper Cove Subdivision. He stated the property is undeveloped and not in agricultural production. He noted this rezone approval is necessary in order for PP14-01 to proceed as a subdivision of the property into four lots. If approved, the rezone would be subject to the development standards applied through the PRD overlay to establish Copper Cove 4.

Mr. Dixon noted that on August 6, 2014, the applicant mailed notification letters to adjacent property owners and interested parties. The applicant did not receive any response regarding the request. He said the Planning Division also did not receive any response regarding the request.

DRAFT

In conclusion, Mr. Dixon stated both of these requests appear to meet the required findings and should be approved, subject to the one stipulation for ZON14-02 and the five stipulations for PP14-01 as listed in the staff report. He asked for questions from the Commission.

Vice Chairperson Aldama called for questions from the Commission. There were none.

Vice Chairperson Aldama called for the applicant to make a presentation. The applicant's representative, Mr. Chuck Wurl was in attendance but did not speak.

Vice Chairperson Aldama opened the public hearing. With no discussion, he closed the public hearing.

Vice Chairperson Aldama called for a motion.

Commissioner Dobbelaere made a motion to recommend approval of ZON14-02 subject to the stipulations included in the staff report. Commissioner Lenox seconded the motion, which was approved unanimously.

Deborah Robberson, Deputy City Attorney stated the Planning Commission's actions are not final and the Commission's recommendation will be forwarded to City Council for further action.

Commissioner Lenox made a motion to approve of PP14-01 subject to the stipulations included in the staff report. Commissioner Berryhill seconded the motion, which was approved unanimously.

Deborah Robberson, Deputy City Attorney said this is final approval by the Planning Commission subject to a written appeal if filed within 15 days.

DRAFT

COPPER COVE PHASE 4

East Side of 95th Avenue, North of Camelback Road

A Planned Residential Development

Prepared for:

D.R. Horton, Inc.

20410 North 19th Avenue

Phoenix, AZ 85027

Prepared By:

Bowman Consulting Group, Ltd.

14100 N. 83rd Avenue, Suite 250

Peoria, Arizona 85381

June 6, 2014

ZON14-002 and PP14-01

Copper Cove Phase 4

Planned Residential Development

Table of Contents

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Exhibits

Exhibit A	Legal Description
Exhibit B	Vicinity Map
Exhibit C	Aerial Map
Exhibits D1 and D2	Existing and Proposed Zoning Exhibits
Exhibit E	Conceptual Landscape Plan
Exhibit F	General Plan Land Use Map
Exhibit G	Typical Lot Setbacks R1-4 PRD
Exhibit H	Street Cross Sections
Exhibit I	Drainage Plan
Exhibit J	Phasing Plan
Exhibit K	School Facilities

1.0 Introduction

Copper Cove Phase 4 is a proposed 4 lot single family residential development on approximately 1-acre located at the east side of 95th Avenue and north of Camelback Road as described in **Exhibit A**, Legal Description, and depicted on **Exhibit B**, Vicinity Map. This request is to rezone from A-1 (Agricultural) to R1-4 Planned Residential Development (See **Exhibits D1 and D2**, Existing and Proposed Zoning Exhibits).

The uniquely designed project is bound by Copper Cove Phase 2/3 on the north, south and east and vacant land zoned Planned Area Development (PAD) to the west (See **Exhibit C**; Aerial Map). This Planned Residential Development (PRD) will complete Copper Cove Phases 2 and 3, with the same lot sizes, decorative walls, and themed landscaping. Copper Cove Phase 4 will have an entrance off of 95th Avenue.

Table 1: Surrounding Land Use

North	Copper Cove Phase 3 subdivision
South	Copper Cove Phase 3 subdivision
East	Copper Cove Phase 3 subdivision
West	Vacant Land; Zoned PAD
Onsite	A-1 Agricultural

- **Buffering / Integration with Surrounding Area**

The lots adjacent to 95th Avenue will be buffered by enhanced landscaping within a dedicated open space tract. In addition, an 8-foot high theme wall will be provided along the back of the lots along 95th Avenue.

2.0 General Plan Conformance

The current General Plan classification of the project is Medium-High Density Residential (5-8 DU/AC) (See **Exhibit F;** General Plan Land Use Map). The Project will not be deviating from this Land Use categories.

3.0 PRD Development Plan

For this site the zoning category will be R1-4 PRD(See **Exhibits D1 and D2;** Existing and Proposed Zoning Exhibits). The intent of the PRD is to:

- Encourage innovative planning for neighborhoods by providing greater flexibility in design standards,
- Provide a diversity of lots with varied garage orientations creating varied setbacks which avoids uniformity and diversifies the streetscape,
- Create a neighborhood that has a unique character and special identity,
- Promote the efficient use of land by enabling the development of parcels which would otherwise be difficult to develop,

- Enhance the existing neighborhood by providing high end standards for quality homes within the new community and
- Complete the Copper Cove site by integrating the remnant 1-acre agricultural parcel into the overall community.

4.0 Site Data

Table 2: Copper Cove Phase 4 Land Use Table

R1-4 PRD Residential	1.01 Acres
Total Lots	4
Total Open Space	0.22 Acres (21.94%)
Gross Density	3.95 DU/AC

5.0 Project Design

Copper Cove Phase 4 is a residential community including 60' x 120'/125' lots. Copper Cove Phase 4 will add 4 lots within the site and complete the Copper Cove community with shared amenities. The project is designed to utilize the site as efficiently as possible given its shape and best fit within the existing community.

A pedestrian trail will be provided in Copper Cove Phase 2/3 and 1, which will connect the parcels and open space amenities throughout all of Copper Cove, including Phase 4. Open Space amenities will include but are not limited to; tot lots, ramadas, a volley ball court, pedestrian trails and turf areas.

Copper Cove Phase 2/3, located west, north and south of property is currently comprised of 141 lots plus these 4 additional proposed lots, which will offer a high quality of living for persons desiring single family detached homes within a small upscale neighborhood environment. Careful attention has been made to design a development that promotes variety with a distinct sense of community.

Access for this parcel is served by an entrance off of 95th Avenue to the west. The primary entrance will have an entry feature with monumentation and enhanced landscaping.

Copper Cove will feature lush desert landscaping with elegant wall design and entry monumentation. Materials used will complement the surrounding rural neighborhoods to the north while adding its own distinct signature. All plant material throughout the project will be chosen for their qualities of lushness and color capabilities.

- **Development Schedule**

Copper Cove Phase 4 will be developed concurrently with Phase 3. Development of Phase 4 will be dependent on and driven by market conditions (See **Exhibit J;** Phasing Plan).

6.0 Development Guidelines

Copper Cove Phase 4 will be developed under the R1-4 residential zoning district with a PRD overlay. Copper Cove Phase 4 has met the intent of the City's guidelines. Copper Cove, through its design, has accomplished all of the engineering, land use and design expectations of the surrounding community, and required by the city, to make this project part of a wonderful community for future homeowners and pleasing to existing neighbors.

Coordination has occurred with the design team and staff on developing six basic design elements for the community: Open Space and Amenities, Perimeter Improvements, Streets, Lot Layout and Setbacks, Landscape and Lot Size. The requirements as outlined in the Residential Design and Development Manual have been met and the project correlates with the approved Copper Cove Phase 2/3 project surrounding this 1-acre property.

7.0 Development Standards

Copper Cove Phase 4 has a proposed total of 4 lots. The development standards established for this project have been carefully considered to allow for flexibility within this unique neighborhood.

Table 3: R1-4 PRD Site Data Table

R1-4 PRD Parcel	Phase 4	Phases 2, 3, and 4
Gross Area	1.01 aces	39.65 acres
Open Space Landscaping & Retention	0.22 acres (21.94%)	7.60 acres (19.15%)
Net Acres	4 lots (60' x 120'/125') – 0.68 acres	145 lots (85' x 138', 60' x 120'/125'/112.5' and 58'/53'/52'/50' x 115') – 38.74 acres
Avg. Lot Size	7,406 sf	6,790 sf
Min. Lot Width	60 feet	50 feet
Avg. Lot Width	60 feet	58 feet
Gross Density	3.95 DU/AC	3.66 DU/AC

The standards that exceed the R1-4 standards are shown in bold in the table on the following page. This rezone to PRD will create the opportunity for variations to the minimum standards (See the Typical Lot Details in **Exhibit G**; Typical Lot Setbacks).

Table 4: R1-4 PRD Standards Table

	City of Glendale R1-4 Standards	Proposed R1-4 PRD Standards
Minimum Net Lot Area	4,000 sf	**7,406 sf**
Minimum Lot Width	40'	**60'**
Minimum Lot Depth	80'	**120'/125'**
Minimum Front Setback (measured from property line)	15' to living area or side entry garage, 20' to front loaded garage, measured from property line to face of garage	10' to living area or side entry garage, 20' to front loaded garage, measured from property line to face of garage
Minimum Rear Setback	15'	15'
Minimum Side Setback	0' and 10'	5' (10' combined)
Minimum Street Sideyard Setback	10'	5' (with 10' side tract)
Maximum Structure Height (1)	30'	30'
Maximum Percentage Lot Coverage	45%	50%
Minimum distance between building on adjacent lots	10'	10'

1-Two story maximum, refer to Section 7.300 for accessory buildings.

***Encroachments:** Fireplaces, bay windows, eves, media niches, and basement window casings may encroach into the side setback a maximum of 2-1/2 feet for a total length not to exceed 10 feet on any building elevations.

Standard Alterations: Copper Cove Phase 4 will match/utilize the already approved house product and lot sizes as Phase 2/3 which require the 5/10 side yard setback; 10' front to allow street diversity and increased lot coverage to 50%, thus allowing more design options including patios and larger homes.

8.0 House Products

To integrate best with the surrounding development Copper Cove Phase 4 will utilize the same exact House Product Design per the City of Glendale Residential Design and Development Manual, as previously approved for Copper Cove Phase 2/3 by the City of Glendale. The R1-4 PRD lots will offer a minimum of six floor plans and three different elevations for each floor plan to its residents. All materials, colors and styles will comply with the theme of the overall development. All main exterior colors will be variations of earth tones. A separate application for design review of the house product will be submitted. Although this does not meet the required four elevations as per the Residential Design and Development Manual, there are eighteen different options for four lots and it will match the House Product Design for Copper Cove Phase 2/3.

The proposed floor plans in the R1-4 PRD portion of the development will vary in size from 1,800 square feet up to 4,000 square feet. At least three distinct

elevation variations will be offered with additional exterior options available for homebuyers to further diversify their home. Each of the floor plans can be easily altered based on buyer's preferences to allow homebuyers to customize floor plans to fit their specific needs.

Both products provide for variation in massing by dramatically changing orientation of the living areas and garages. The garage orientation varies between a side-entry and recessed on alternating lots. This large amount of variation assures a varied streetscape that is not dominated by garage doors. If any other product is offered, it will meet the guidelines as outlined below.

Each home shall include the following:

1. Stucco exterior with accents
2. Covered rear patio integrated into the design of the home
3. Ground mounted AC Units
4. Three color variations of a concrete tile roof
5. Stucco accents and window treatments on all windows and entries
6. Two-car garage with standard coach lighting
7. Window frames will be vinyl with low-e windows
8. Roof vents painted to match tile roof color
9. Exterior light fixtures at front entrance
10. Variations of sectional metal roll-up garage door with raised paneling
11. Front yard landscape packages on southern parcel
12. 8-foot, 9-foot and 10-foot high ceilings
13. Structures prewire packages for cable, internet, and telephone
14. Energy-star Efficiency

9.0 Landscaping, Entry Features, and Perimeter Walls

The Copper Cove Phase 4 landscape concept will utilize a plant palette indigenous to the area and will be complimentary to the proposed architectural theme, which will also match the surrounding Copper Cove Phase 2/3 palette. Drought resistant plants and trees will be the predominant materials used in the overall landscape design with colorful accent materials incorporated in the open spaces. The Streetscape standard along 95th Avenue will include plant materials compatible with the City's street landscape program.

Theme perimeter wall design on 95th Avenue will be simple and reflect the patterns and forms of the entry features and be continuous with the Copper Cove Phase 3 wall. A combination of split-face and smooth-face block will create a unique pattern with columns that will help set apart the subdivision and complement the entry feature. All walls will be painted, stained, or treated with a protective finish to allow for easy graffiti removal.

The overall Copper Cove Project has been designed to provide future residents an inviting and pedestrian friendly community through thoughtful landscaping and amenity design. Throughout the process lot configurations have been removed or revised and the layout redrawn to create a continual open space tract from the

south end of the community to the north end. To maximize the pedestrian friendly continuous open space corridor, a 6' stabilized trail system will connect all the amenities to allow exercise and pedestrian travel between them. Amenities that may be provided within the main open space areas include a neighborhood park, a tot lot, a volley ball court, and a group ramada area. Total open space for the entire project now accounts for over 19% of the site, 7.60-acres. A Conceptual Landscape Plan is provided as **Exhibit E**.

- Landscape Maintenance Responsibilities

The Covenant Conditions and Restrictions (CC&R's) for Copper Cove Phase 4 will identify that the Copper Cove Homeowners Association (HOA) will own and maintain the entry feature, retention areas, amenities, landscaping within all open space tracts and decorative perimeter walls. The CC&R's will restrict the use of the single-family lots to use the uses permitted by the City of Glendale's Zoning Ordinance and the Copper Cove PRD narrative as approved by the Glendale City Council.

10.0 Grading and Drainage Concept

The project generally slopes to the Southwest. No off-site flows impact the site. The project will be designed to retain the 100-year 2-hour storm of on-site runoff. One main open space/ landscape tract will be depressed to retain these on-site flows for the Copper Cove Phase 4 parcel. There is one ultimate outfall location for this site. Excess water from the retaining basin will flow to 95th Avenue. The conceptual drainage plan for the project is included in **Exhibit I**; Drainage Plan.

11.0 Transportation and Circulation

Regional transportation is provided by Agua Fria Freeway (Loop 101) that runs north-south approximately ½ mile west to the subject site.

The Copper Cove Phase 4 parcel has excellent off-site transportation corridor access with 95th Avenue as its western boundary. Half street improvements will be made for 95th Avenue, during Phase 2/3 construction, which will connect to Camelback Road adjacent to the Copper Cove Phase 2 Site.

The interior street pattern has been designed to limit the number of homes a person has to pass before getting to a subdivision exit. Typical streets within the Project will include 50 feet of right-of-way with attached sidewalks. The entrance into Copper Cove Phase 4 will be off of 95th Avenue and will include 60 feet of right-of-way, also with attached sidewalks, as shown on **Exhibit H**, Street Cross Sections.

12.0 Public Improvements

The City of Glendale has an existing 36" sewer main in 95th Avenue and an existing 12" water line in 95th Avenue, and Copper Cove Phase 3 will provide a

sewer and water line within the interior street that will properly service the proposed development to meet the domestic demands. The interior system will be looped through Copper Cove Phase 2/3 subdivision and tie into the existing surrounding system. All utilities will be under ground in accordance with the City of Glendale Ordinance. All water, sewer and paving improvements will be completed with Copper Cove Phase 2/3.

13.0 School Facilities

Initial contact was made with Tolleson Union High School District and Pendergast Elementary School District regarding the addition of four lots to their area. Both Districts indicated they accommodate the students from the addition of the four lots. The Certificates of Adequate Facilities have been received from Dr. Lexi Cunningham from Tolleson Union High School District and Brian Mee from Pendergast Elementary School District. (See the Certificate of Adequate Facilitites in **Exhibit K**; School Facilities).

14.0 PRD Required Findings

The proposal is consistent in substance and location with the development objectives of the General Plan and any adopted specific area plans.

Copper Cove Phase 4 is in conformance with the 2025 Glendale General Plan. The Project meets the current General Plan designation for the site consisting of Medium-High Density Residential.

The proposal will be compatible with other existing and planned development in the area.

Copper Cove Phase 4 is consistent with the neighboring communities and PRD's within Glendale.

The proposal meets or exceeds the City's Subdivision Design Expectations regarding site planning, architecture, landscaping, building materials and colors, and screening of mechanical equipment.

The Project meets the intent of the Residential Design and Development Manual in providing a higher standard of subdivision design through quality, marketable, and sustainable development. Every effort has been made to comply with the recommended design guidelines within the context of this project.

The proposal will result in a quality living environment and accommodate desired lifestyles.

The PRD allows for a high quality of living for persons desiring single-family detached homes within a community which offers a variety of floor plan styles and elevations. Copper Cove provides ample open space opportunities for its residents.

The proposed project amenities including equestrian and pedestrian trails, bike paths, landscaped areas, entry features, decorative theme walls, parks, playgrounds, and other public or commonly owned open space and recreation facilities are adequate and appropriate for this development.

Amenities within the Copper Cove Phase 4 alone include but are not limited to: lush landscaped area and open space and decorative theme walls. As part of the Copper Cove Community, Phase 4 will have access to amenities that include tot lots, ramadas, a volleyball court, pedestrian trails and turfed areas.

The type and quality of house products will be consistent with the intended character of the development.

The Project has provided a minimum of eighteen product guidelines to ensure consistent quality and design of the housing products as development occurs.

EXHIBIT A
LEGAL DESCRIPTION

March 6, 2014
PROJECT # 9700-01-001

LEGAL DESCRIPTION
COPPER COVE
PHASE 4 BOUNDARY

THAT PARCEL OF LAND RECORDED AS DOC. NO. 2011-0493940, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, LOCATED WITHIN THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 16, BEING A BRASS CAP IN HANDHOLE, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 16, BEING A BRASS CAP IN HANDHOLE, BEARS SOUTH 89 DEGREES 58 MINUTES 56 SECONDS EAST, A DISTANCE OF 2667.73 FEET;

THENCE NORTH 02 DEGREES 20 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16, A DISTANCE OF 1320.86 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 16 AND THE **POINT OF BEGINNING**;

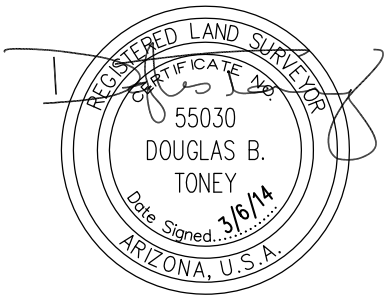
THENCE CONTINUING NORTH 02 DEGREES 20 MINUTES 26 SECONDS EAST, ALONG SAID WEST LINE, A DISTANCE OF 210.17 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH 210 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 16;

THENCE SOUTH 89 DEGREES 59 MINUTES 28 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 210.17 FEET TO A POINT ON THE EAST LINE OF THE WEST 210 FEET OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 16;

THENCE SOUTH 02 DEGREES 20 MINUTES 26 SECONDS WEST, ALONG SAID EAST LINE, A DISTANCE OF 210.17 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 16;

THENCE NORTH 89 DEGREES 59 MINUTES 28 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 210.17 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 44,137 SQUARE FEET OR 1.0132 ACRES, MORE OR LESS.



EXPIRES 9/30/2016

Bowman Consulting Group, Ltd. • 1295 W Washington, Suite 108 • Tempe, Arizona 85281 • P: 480.629.8830

EXHIBIT B
VICINITY MAP

Bowman CONSULTING

14100 North 83rd Avenue Ste 250
Peoria, Arizona 85381

Phone: (480) 629-8830
www.bowmanconsulting.com

COPPER COVE PHASE 4

GLENDALE, ARIZONA

VICINITY MAP EXHIBIT

JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	B

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 B-Vicinity Map Exhibit.dwg 01/15/2014

EXHIBIT C
AERIAL MAP

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CONSULTING
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Peoria, Arizona 85381
Phone: (480) 629-8830
www.bowmanconsulting.com

COPPER COVE PHASE 4

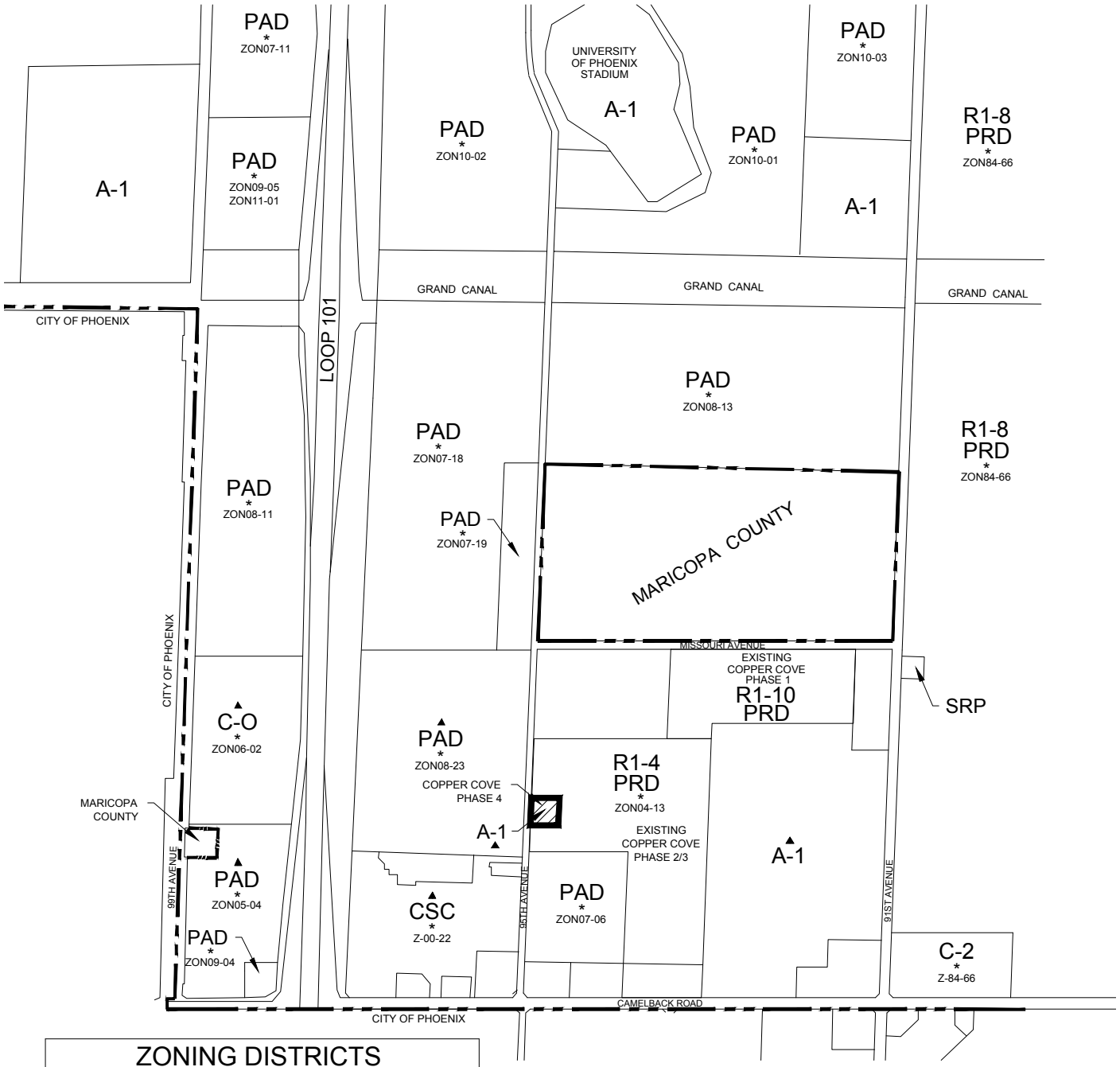
GLENDALE, ARIZONA

AERIAL MAP

JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	C

CAD FILE NAME: P:\9700 – Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 C-Aerial Map Exhibit.dwg 01/14/2014

EXHIBITS D1 and D2
EXISTING AND PROPOSED
ZONING EXHIBITS



ZONING DISTRICTS	
ZONE	GENERAL USE
A-1	Agricultural
R1-4	Single Residence
R1-8	Single Residence
C-O	Commercial Office
C-2	General Commercial
CSC	Commercial Shopping Center
PAD	Planned Area Development
PRD	Planned Residential Development

LEGEND

CITY LIMITS

▲ ZONING APPROVAL PENDING ORDINANCE ADOPTION

* DEVELOPMENT CONDITIONS ATTACHED TO ZONING APPROVAL (REFERENCE ZONING APPLICATION NUMBER)

N

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Phone: (480) 629-8830
www.bowmanconsulting.com

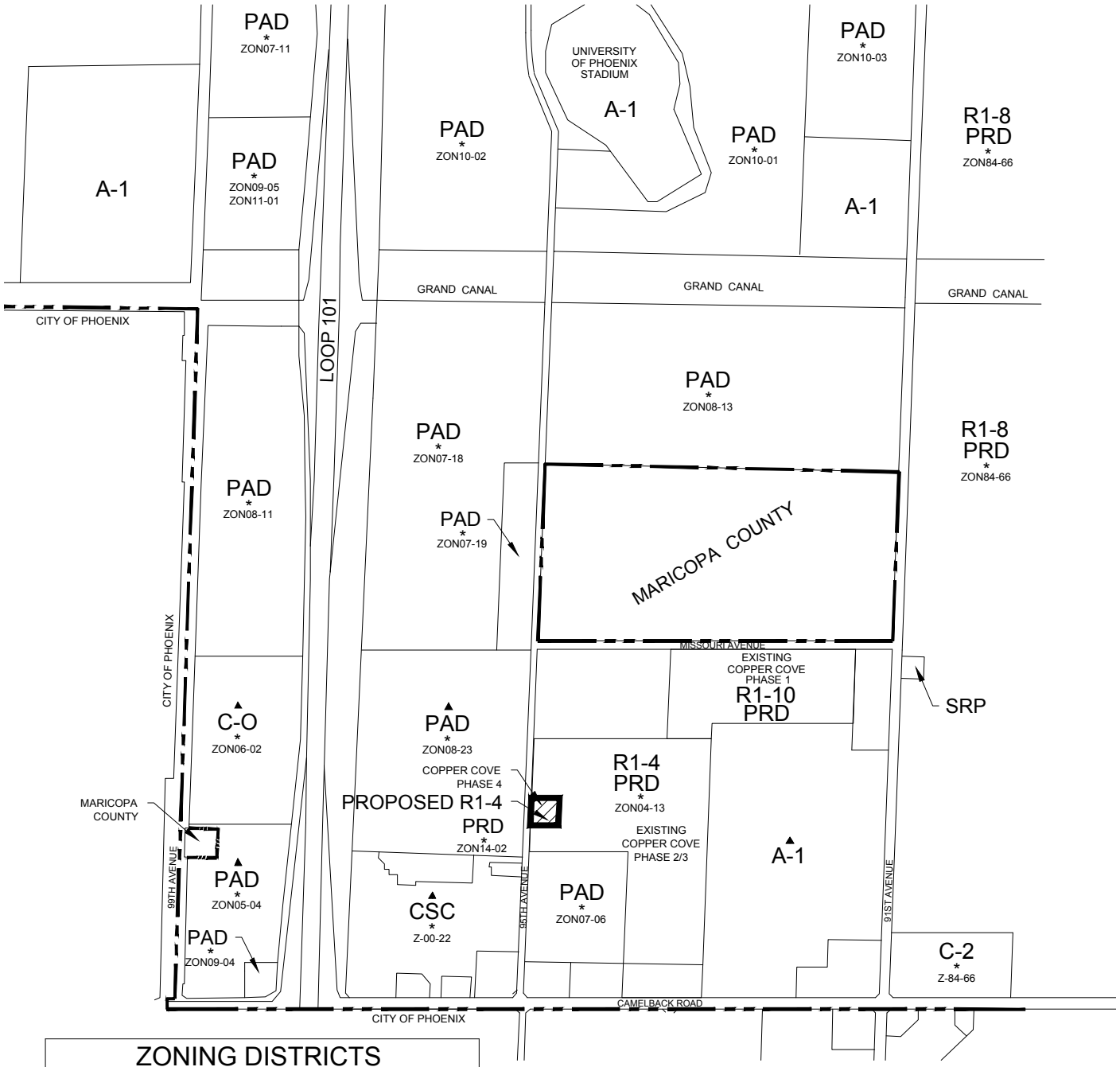
COPPER COVE PHASE 4

GLENDALE, ARIZONA

EXISTING ZONING

JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	D1

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 D1-Existing Zoning Exhibit.dwg 01/15/2014



ZONING DISTRICTS	
ZONE	GENERAL USE
A-1	Agricultural
R1-4	Single Residence
R1-8	Single Residence
C-O	Commercial Office
C-2	General Commercial
CSC	Commercial Shopping Center
PAD	Planned Area Development
PRD	Planned Residential Development

LEGEND

CITY LIMITS

▲ ZONING APPROVAL PENDING ORDINANCE ADOPTION

* DEVELOPMENT CONDITIONS ATTACHED TO ZONING APPROVAL (REFERENCE ZONING APPLICATION NUMBER)

N

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Phone: (480) 629-8830
www.bowmanconsulting.com

COPPER COVE PHASE 4

GLENDALE, ARIZONA

PROPOSED ZONING

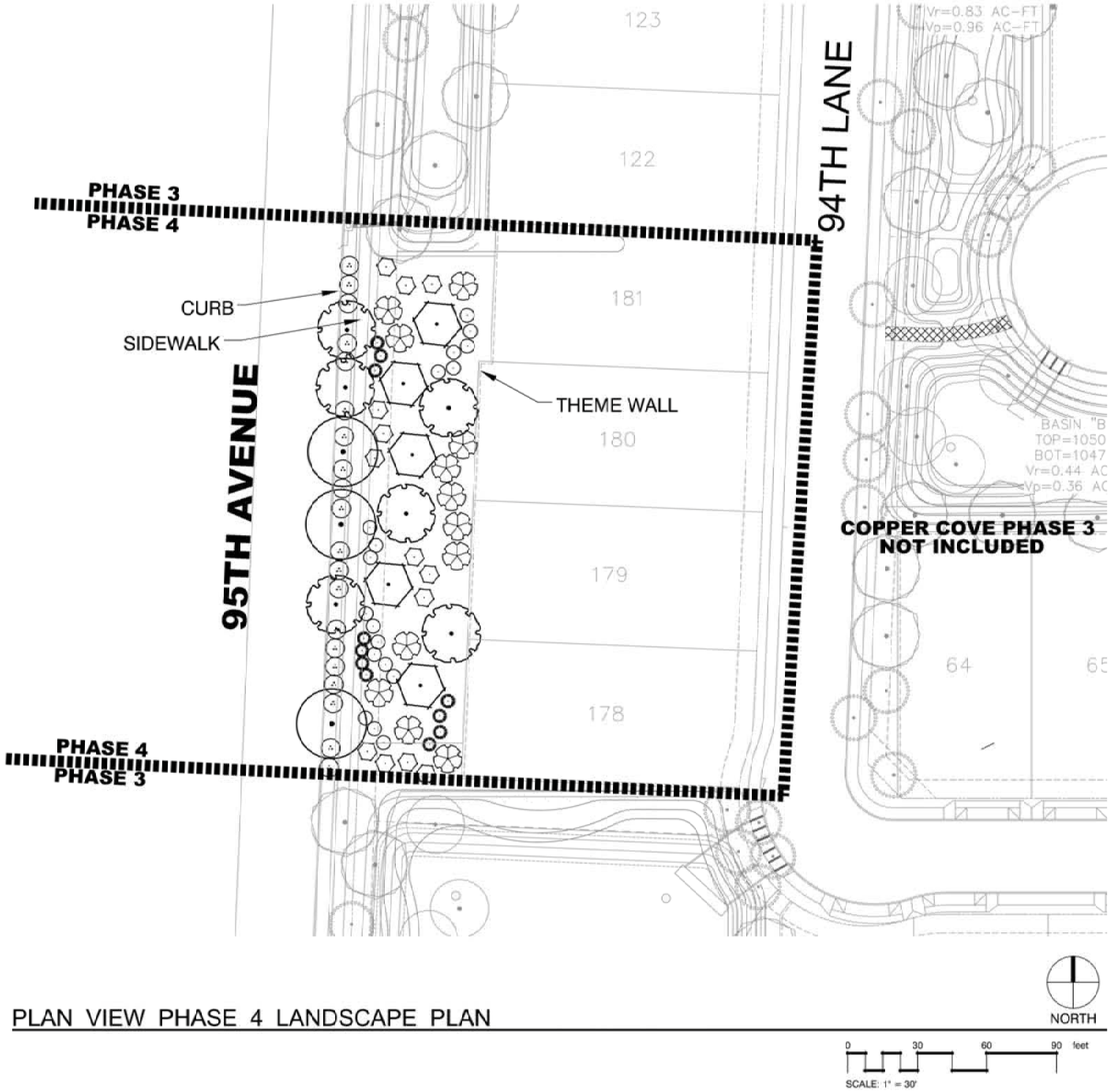
JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	D2

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 D2-Proposed Zoning Exhibit.dwg 05/28/2014

EXHIBIT E
CONCEPTUAL LANDSCAPE PLAN

Copper Cove Phase 4

Preliminary Planting Plan

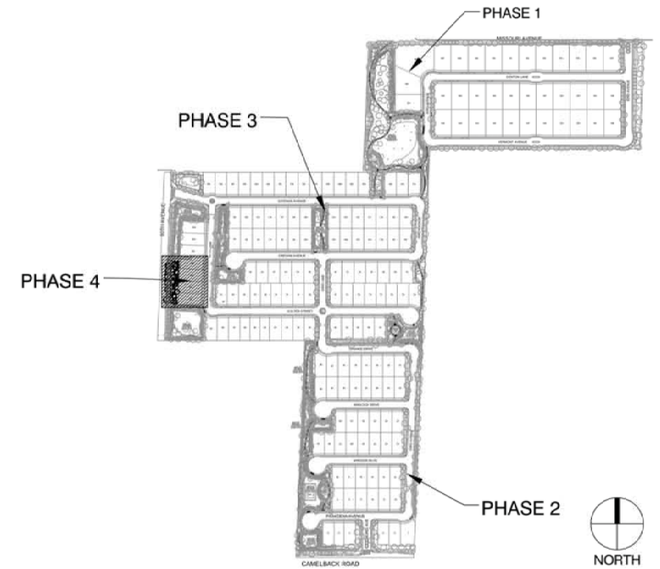


PLAN VIEW PHASE 4 LANDSCAPE PLAN

TOTAL LANDSCAPE TRACT AREAS - PHASE 4			
LOT	USE	AREA (SF)	AREA (AC)
TRACT A	LANDSCAPE, PEDESTRIAN ACCESS	9,670 SF	.222 AC

PLANT SCHEDULE

ACCENT TREES	QTY	COMMON NAME / BOTANICAL NAME	CONT
	5	SWEET ACACIA / ACACIA FARNESIANA SMALLII	24"BOX
DESERT SHADE TREES	**QTY**	**COMMON NAME / BOTANICAL NAME**	**CONT**
	3	BLUE PALO VERDE / CERCIDIUM FLORIDUM	24"BOX
TURF SHADE TREES	**QTY**	**COMMON NAME / BOTANICAL NAME**	**CONT**
	6	WILLOW ACACIA / ACACIA SALICINA	24"BOX
SHRUBS	**QTY**	**COMMON NAME / BOTANICAL NAME**	**CONT**
	12	RED BIRD OF PARADISE / CAESALPINIA PULCHERRIMA	5 GAL
	13	GREEN HOPSEED BUSH / DODONAEA VISCOSA `GREEN`	5 GAL
	20	BREWSTER COUNTY BAROMETERBUSH / LEUCOPHYLLUM CANDIDUM `THUNDER CLOUD` TM	5 GAL
	18	BAROMETERBUSH / LEUCOPHYLLUM REVOLUTUM `HOUDINI` TM	5 GAL
	11	LINDHEIMER`S MUHLY / MUHLENBERGIA LINDHEIMERI `AUTUMN GLOW` TM	5 GAL



KEY MAP

CVL
COE & VAN LOO
4550 North 12th Street
Phoenix, Arizona 85014
Phone: (602) 264-6831
http://www.cvlci.com

Preliminary Landscape Plan

DATE
REVISION
NO.

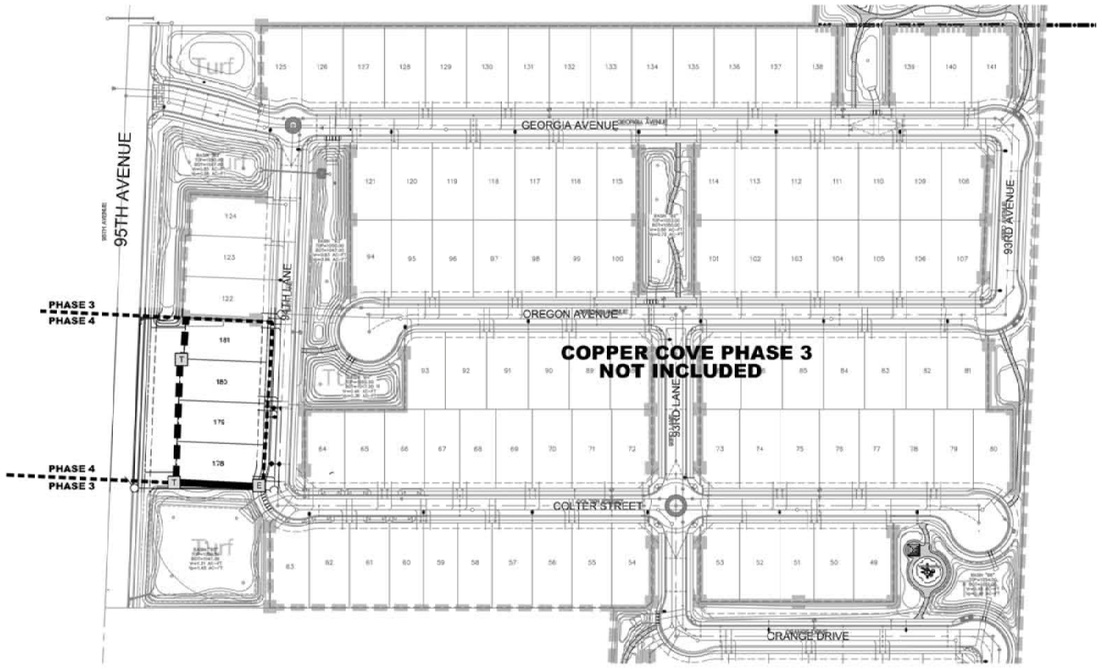
Copper Cove Phase 4
Preliminary Landscape Plan
95th Avenue and Camelback Road

SHEET
1 OF 2

CVL Contact: E. Swetland, RLA
CVL Project #: 01-0230601
CVL File #:

Copper Cove Phase 4

Preliminary Wall Plan



WALL SCHEDULE

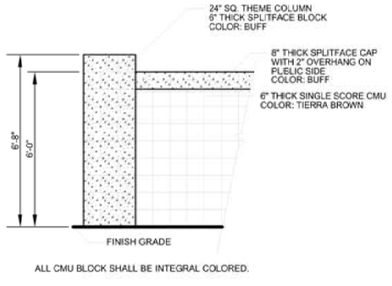
V	View Wall Column
E	End of Wall Column
T	Theme Column
▬▬▬	6' Theme Wall
▬ ▬ ▬ ▬	8' Theme Wall
▮▮▮▮▮▮▮▮▮▮▮▮▮	6' View Wall

PLAN VIEW PHASE 4 WALL PLAN

NORTH

0 100 200 300 feet

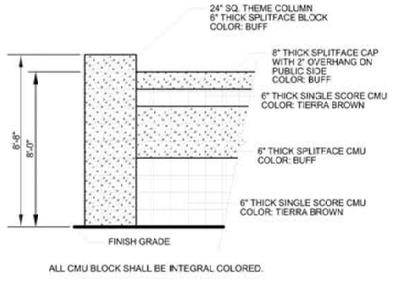
SCALE: 1"=100'



ALL CMU BLOCK SHALL BE INTEGRAL COLORED.

6' THEME WALL

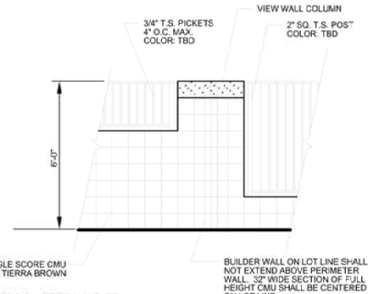
Standard Wall shall be used on all interior walls



ALL CMU BLOCK SHALL BE INTEGRAL COLORED.

8' THEME WALL

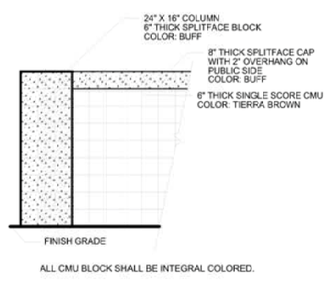
Theme Wall shall be used along all arterial roads



VIEW FENCE

ALL CMU BLOCK SHALL BE INTEGRAL COLORED.

View Fence shall be used along the rear yards that back on large open space areas



ALL CMU BLOCK SHALL BE INTEGRAL COLORED.

END OF WALL COLLUMN

CVL
COE & VAN LOO
4550 North 12th Street
Phoenix, Arizona 85014
Phone: (602) 264-6831
http://www.cvlci.com

Preliminary Landscape Plan

DATE

REVISION

NO.

Copper Cove Phase 4

Preliminary Landscape Plan

95th Avenue and Camelback Road

21411
EARL J.
SWETLAND
ARIZONA, U.S.A.
Expires 6-30-2014

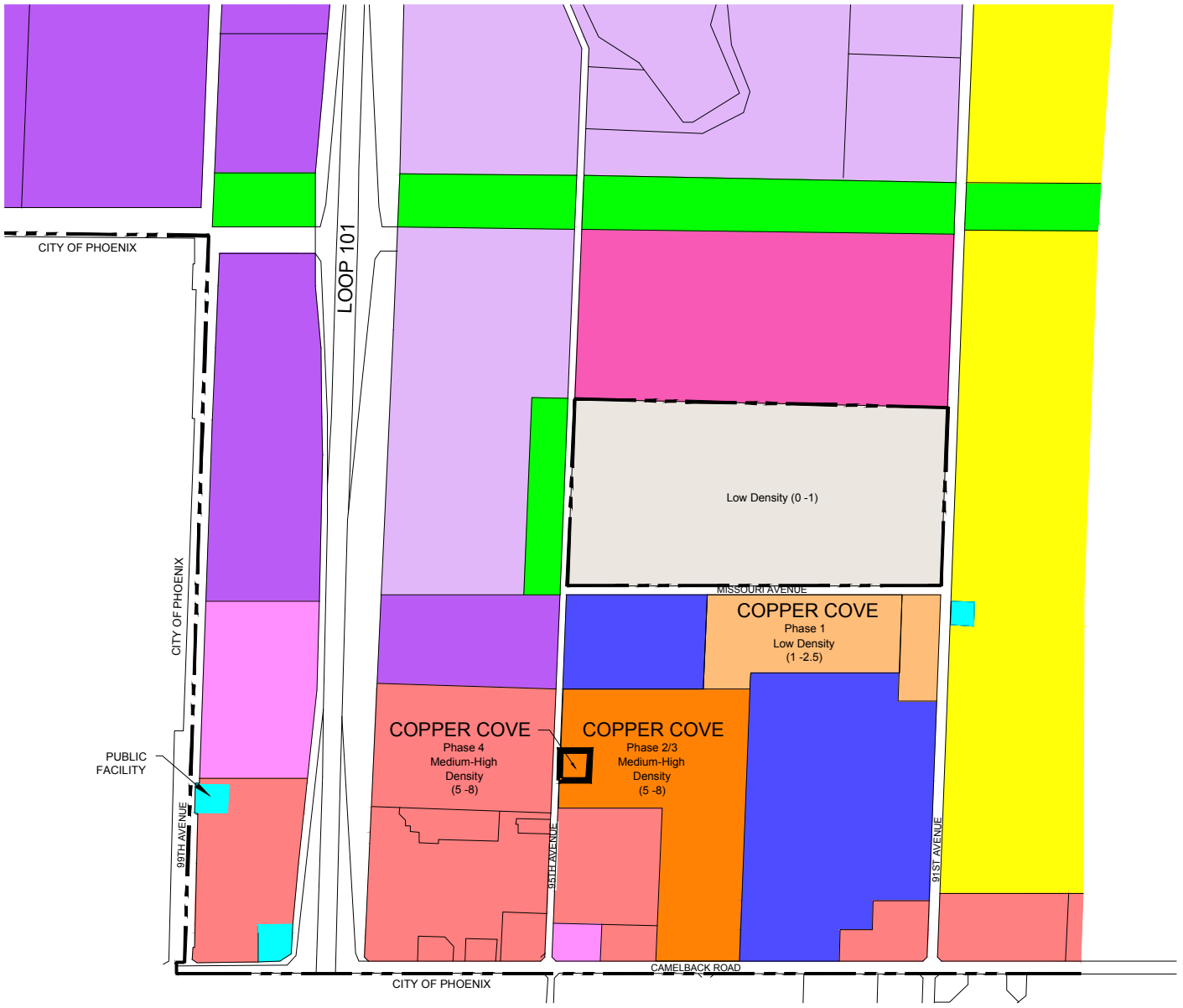
SHEET

2 OF **2**

CVL Contact: E. Swetland, RLA
CVL Project #: 01-0230601
CVL File #:

BUSINESS
SUITES
STAGE
ACCOMMODATE

EXHIBIT F
GENERAL PLAN LAND USE MAP



LAND USE DESIGNATIONS	
	Low Density Residential: 0 - 1 du/ac
	Low Density Residential: 1- 2.5 du/ac
	Medium Density Residential: 2.5 - 3.5 du/ac
	Medium High Density Residential: 5 - 8 du/ac
	Office
	Planned Commercial
	Entertainment Mixed-Use
	Corporate Commerce Center
	Business Park
	Educational
	Parks and Open Space
	Public Facility

LEGEND

CITY LIMITS

PROJECT BOUNDARY

N

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COPPER COVE PHASE 4

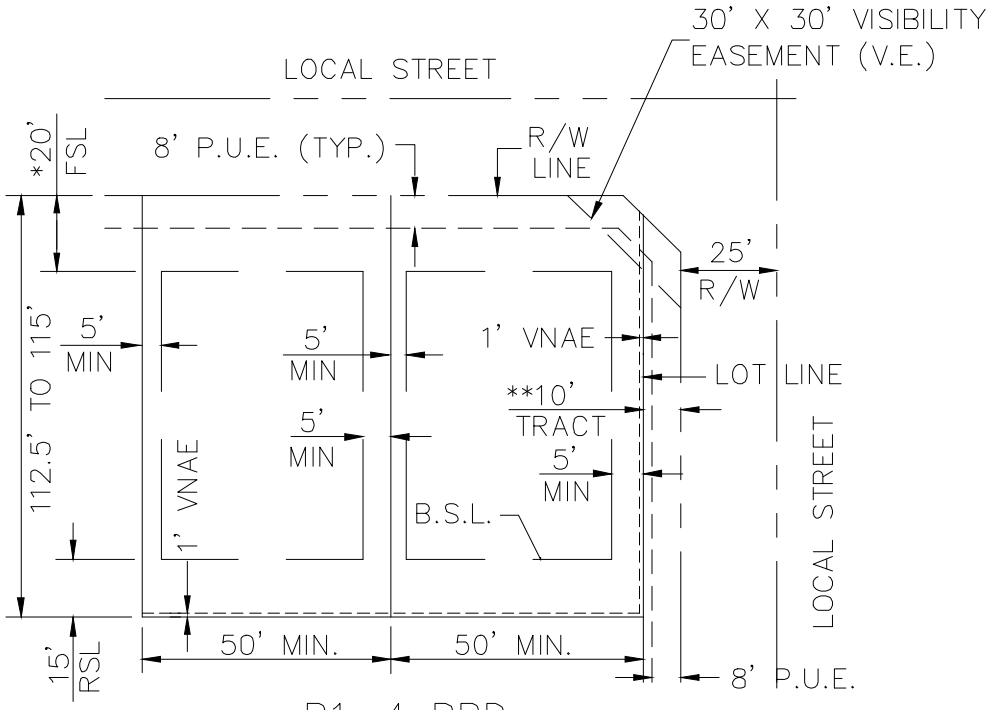
GLENDALE, ARIZONA

GENERAL PLAN LAND USE MAP

JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	F

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 F-General Plan Land Use Map.dwg 01/15/2014

EXHIBIT G
TYPICAL LOT SETBACKS



R1-4 PRD
TYPICAL LOT DETAIL
(50' TO 58' WIDTH LOTS)
N.T.S.

* A MINIMUM OF 10' FRONT SETBACK (FSL) IS PERMITTED TO LIVING AREAS OR SIDE ENTRY GARAGES.
** A 10' (MIN) TRACT SHALL BE PROVIDED ADJACENT TO A STREET SIDE YARD SETBACK.
– MINIMUM DISTANCE BETWEEN BUILDING ON ADJACENT LOTS IS 10'.
– MAXIMUM LOT COVERAGE IS 50%

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COPPER COVE PHASE 4

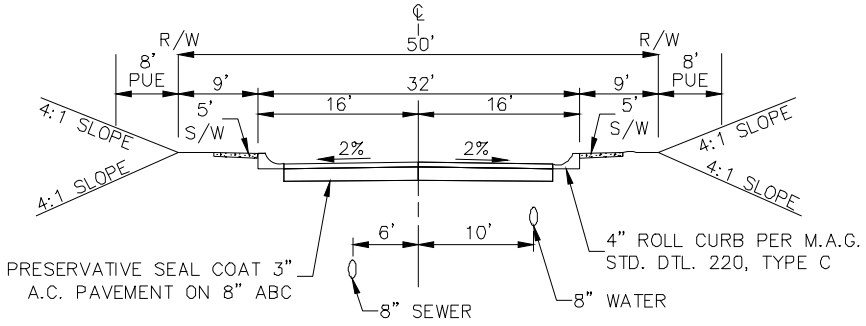
GLENDALE, ARIZONA

TYPICAL LOT SETBACK - R1-4 PRD

JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	G

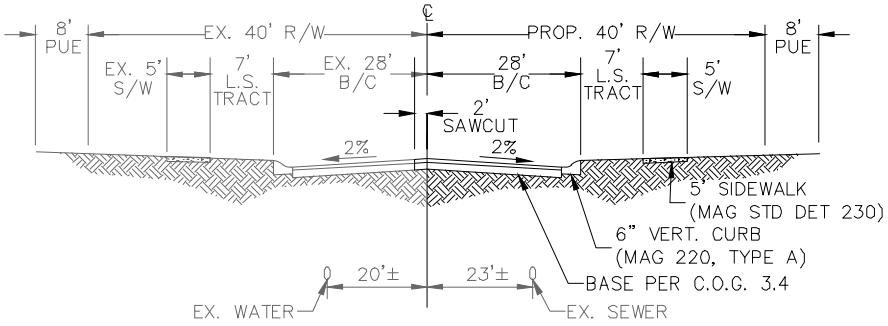
CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 G-Typical Lot Setback Exhibit.dwg 01/15/2014

EXHIBIT H
STREET CROSS SECTIONS



1 TYPICAL LOCAL STREET SECTION

LOOKING NORTH OR WEST
N.T.S.



2 95TH AVENUE SECTION

LOOKING NORTH
N.T.S.

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COPPER COVE PHASE 4

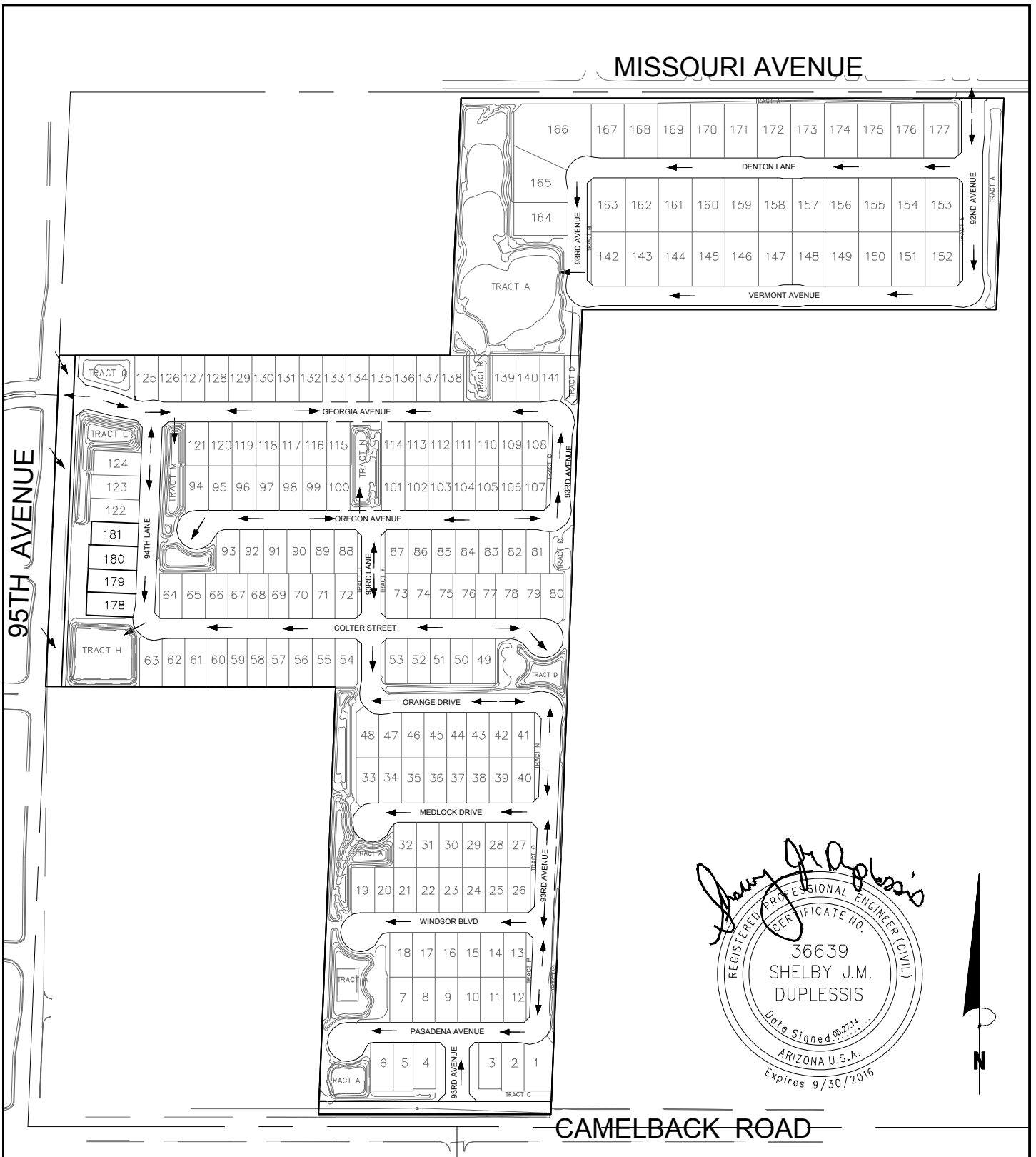
GLENDALE, ARIZONA

STREET CROSS SECTIONS

JOB #	9700-01-001
DATE	05/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	H

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 H-Street Sections.dwg 05/23/2014

EXHIBIT I
DRAINAGE PLAN



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Phone: (480) 629-8830
www.bowmanconsulting.com

COPPER COVE PHASE 4

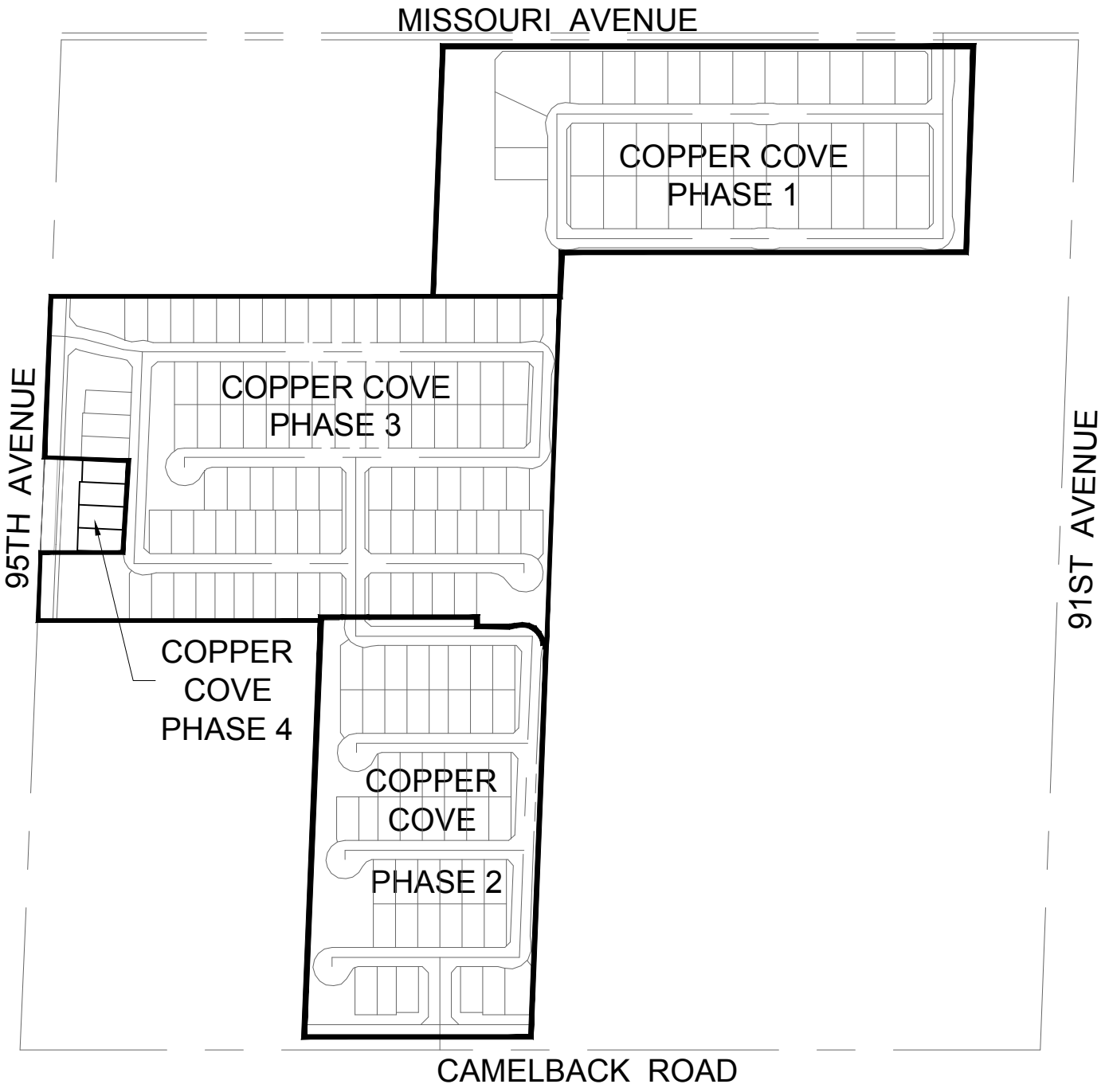
GLENDALE, ARIZONA

DRAINAGE PLAN

JOB #	9700-01-001
DATE	05/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	I

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 I-Drainage Plan Exhibit.dwg 05/23/2014

EXHIBIT J
PHASING PLAN



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COPPER COVE PHASE 4

GLENDALE, ARIZONA

PHASING PLAN EXHIBIT

JOB #	9700-01-001
DATE	01/2014
SCALE	NONE
DRAWN	CRS
EXHIBIT	J

CAD FILE NAME: P:\9700 - Copper Cove\9700-01-001 (ENG)\Engineering\Exhibits\Phase 4 PRD\9700 J-Phasing Plan Exhibit.dwg 06/10/2014

EXHIBIT K
SCHOOL FACILITIES

Bowman
CONSULTING

May 19, 2014

Tolleson Union High School District
Attn: Karyn Eubanks
9801 W. Van Buren Street
Tolleson, AZ 85353

Dear Ms. Eubanks:

This letter is being sent to you pursuant to the City of Glendale Planning Division School District Notification Policy for zoning classification changes. Please be advised that we are applying for a zoning change that changes the zoning designation of a 1.01 acre site located on the east side of 95th Avenue and north of Camelback Road. This request is to rezone form A-1 (Agricultural) to R1-4 Planned Residential Development. Our application will result in a total increase of 4 units. This will complete the previously approved Copper Cove Phase 3 as per attached Phasing Exhibit.

We have attached a proposed site plan for your reference. You are requested to complete the attached Certificate of Adequate School Facilities in reference to Zoning Application ZON14-02. Please return the completed form in the return envelope included.

If you would like to discuss the proposal, I would be happy to answer any questions or hear any concerns that you may have regarding this proposal. I can be reached at ***623.299.8981.***

Sincerely,

ShelbyJM Duplessis, PE, LEED AP
Senior Project Manager

Certification of Adequate School Facilities
for
Residential Rezoning – Glendale, Arizona
Revised November 2001

Glendale City Ordinance No. 2104 applies to applications for residential rezoning which will increase the projected number of students for any school district's attendance area. This includes applications for rezoning which change zoning classifications from non-residential to residential and rezonings, which change residential zoning classifications to a higher density classification.

To be completed by City Staff

City Application Number: ZON 14-02 and OO14-01

City Staff Contact: Thomas Ritz Telephone: 623.930.2588

Property Address: 5850 W. Glendale Avenue, Suite 212, Glendale, AZ 85301

Property Size: 1.01 Acres

Existing Zoning: A-1 (Agricultural) Proposed Zoning: R1-4 Planned Residential Development

Existing Dwelling Unit Potential: Single Family: X Multi-Family: _____

Proposed # of Dwelling Units: Single Family: 4 Multi-Family: _____

Net Increase in Dwelling Units from Existing Zoning:

Single Family: 4 Multi-Family: _____

Affected School District(s): Elementary: Pendergast Elementary School District

Middle: Pendergast Elementary School District

High School: Tolleson Union High School District

Impacted School(s): Elementary: Sunset Ridge Elementary

Middle: Sunset Ridge Elementary

High School: Copper Canyon High School

Applicant/Contact for Rezoning Application: Bowman Consulting Group - Shelby Duplessis

Address: 14100 N. 83rd Avenue, Suite 250, Peoria, AZ 85381

Telephone: 623.299.8981 Fax: 602.800.5103

Email: sduplessis@bowmanconsulting.com

Sent for Certification to: Karyn Eubanks - Tolleson Union High School District

Referred Date: 5-19-14

Response Deadline: 5-31-14

If no response is received by this date, it will be assumed that there are adequate school facilities for the proposed rezoning.

Response Date: 5-27-14

Certification of Adequate School Facilities
for
Residential Rezoning – Glendale, Arizona
Revised November 2001

To Be Completed By School Official (Choose One)

1. X The school district has adequate facilities to accommodate the projected number of new students within the school district attendance area that will be generated by this rezoning request.
2. _____ The school district will have adequate school facilities by a planned capital improvement to be constructed within one (1) year and located within the school district's attendance area affected by this residential rezoning request.
3. _____ The school district has determined an existing or proposed charter school can provide adequate school facilities.
4. _____ The applicant and the school district have entered into an agreement to provide, or help to provide, adequate school facilities in a timely manner within the school district's attendance area affected by this residential rezoning request. Details of this agreement are not required.
5. _____ The school does not have adequate school facilities to accommodate projected growth attributable to the rezoning.

If response number five (5) is selected, please provide specific details regarding the factors contributing to the lack of adequate facilities as related to the School Facilities Board Guidelines. Indicate where facilities are not adequate. Attach additional details as necessary.

A.	School Site	_____
B.	Academic Classroom Space	_____
C.	Classroom Fixtures and Equipment	_____
D.	Libraries and Media Centers	_____
E.	Auditoriums and Multipurpose Rooms	_____
F.	Technology	_____
G.	Transportation	_____
H.	Science Facilities	_____
I.	Arts Facilities	_____
J.	Vocational Educational Education Facilities	_____
K.	Physical Education-Comprehensive Health Program	_____
L.	Other School Facility Areas and Equipment	
	a. Compliance with Building Codes	_____
	b. Building Systems	_____
	c. Building Soundness	_____
	d. Minimum Gross Square Footage	_____
	e. Critical Health or Safety Issues	_____

School District TOLLESON UNION #10H SCHOOL DISTRICT #214
Representative Name (Please Print) DR. ALEXI CUNNINGHAM
Representative Signature _____
Title SUPERINTENDENT **Date** 5-27-14 **Application No.** _____

The completed Certification of Adequate School Facilities should be forwarded to:

Planner Name, Title
City of Glendale Planning
5850 West Glendale Avenue, Suite 212
Glendale, Arizona 85301

Bowman
CONSULTING

May 19, 2014

Pendergast Elementary School District
Attn: Brian Mee
3802 N. 91st Avenue
Phoenix, AZ 85037

Dear Brian Mee:

This letter is being sent to you pursuant to the City of Glendale Planning Division School District Notification Policy for zoning classification changes. Please be advised that we are applying for a zoning change that changes the zoning designation of a 1.01 acre site located on the east side of 95th Avenue and north of Camelback Road. This request is to rezone form A-1 (Agricultural) to R1-4 Planned Residential Development. Our application will result in a total increase of 4 units. This will complete the previously approved Copper Cove Phase 3 as per attached Phasing Exhibit.

We have attached a proposed site plan for your reference. You are requested to complete the attached Certificate of Adequate School Facilities in reference to Zoning Application ZON14-02. Please return the completed form in the return envelope included.

If you would like to discuss the proposal, I would be happy to answer any questions or hear any concerns that you may have regarding this proposal. I can be reached at ***623.299.8981.***

Sincerely,

ShelbyJM Duplessis, PE, LEED AP
Senior Project Manager

Certification of Adequate School Facilities
for
Residential Rezoning – Glendale, Arizona
Revised November 2001

Glendale City Ordinance No. 2104 applies to applications for residential rezoning which will increase the projected number of students for any school district's attendance area. This includes applications for rezoning which change zoning classifications from non-residential to residential and rezonings, which change residential zoning classifications to a higher density classification.

To be completed by City Staff

City Application Number: ZON 14-02 and OO14-01

City Staff Contact: Thomas Ritz Telephone: 623.930.2588

Property Address: 5850 W. Glendale Avenue, Suite 212, Glendale, AZ 85301

Property Size: 1.01 Acres

Existing Zoning: A-1 (Agricultural) Proposed Zoning: R1-4 Planned Residential Development

Existing Dwelling Unit Potential: Single Family: X Multi-Family: _____

Proposed # of Dwelling Units: Single Family: 4 Multi-Family: _____

Net Increase in Dwelling Units from Existing Zoning:

Single Family: 4 Multi-Family: _____

Affected School District(s): Elementary: Pendergast Elementary School District

Middle: Pendergast Elementary School District

High School: Tolleson Union High School District

Impacted School(s): Elementary: Sunset Ridge Elementary

Middle: Sunset Ridge Elementary

High School: Copper Canyon High School

Applicant/Contact for Rezoning Application: Bowman Consulting Group - Shelby Duplessis

Address: 14100 N. 83rd Avenue, Suite 250, Peoria, AZ 85381

Telephone: 623.299.8981 Fax: 602.800.5103

Email: sduplessis@bowmanconsulting.com

Sent for Certification to: Pendergast Elementary School District

Referred Date: 5-19-14

Response Deadline: 5-31-14

If no response is received by this date, it will be assumed that there are adequate school facilities for the proposed rezoning.

Response Date: 5-24-14

Certification of Adequate School Facilities
for
Residential Rezoning – Glendale, Arizona
Revised November 2001

To Be Completed By School Official (Choose One)

1. X The school district has adequate facilities to accommodate the projected number of new students within the school district attendance area that will be generated by this rezoning request.
2. _____ The school district will have adequate school facilities by a planned capital improvement to be constructed within one (1) year and located within the school district's attendance area affected by this residential rezoning request.
3. _____ The school district has determined an existing or proposed charter school can provide adequate school facilities.
4. _____ The applicant and the school district have entered into an agreement to provide, or help to provide, adequate school facilities in a timely manner within the school district's attendance area affected by this residential rezoning request. Details of this agreement are not required.
5. _____ The school does not have adequate school facilities to accommodate projected growth attributable to the rezoning.

If response number five (5) is selected, please provide specific details regarding the factors contributing to the lack of adequate facilities as related to the School Facilities Board Guidelines. Indicate where facilities are not adequate. Attach additional details as necessary.

A. School Site _____
B. Academic Classroom Space _____
C. Classroom Fixtures and Equipment _____
D. Libraries and Media Centers _____
E. Auditoriums and Multipurpose Rooms _____
F. Technology _____
G. Transportation _____
H. Science Facilities _____
I. Arts Facilities _____
J. Vocational Educational Education Facilities _____
K. Physical Education-Comprehensive Health Program _____
L. Other School Facility Areas and Equipment
   a. Compliance with Building Codes _____
   b. Building Systems _____
   c. Building Soundness _____
   d. Minimum Gross Square Footage _____
   e. Critical Health or Safety Issues _____

School District Pendergast ESD
Representative Name (Please Print) Brian Mee
Representative Signature _____
Title Chief Business Officer **Date** 5/24/14 **Application No.** _____

The completed Certification of Adequate School Facilities should be forwarded to:

Planner Name, Title
City of Glendale Planning
5850 West Glendale Avenue, Suite 212
Glendale, Arizona 85301

Citizen Participation Plan

for

Copper Cove Phase 4

Glendale, AZ

Prepared by:

Bowman Consulting Group, Ltd.

14100 N. 83rd Avenue, Suite 250

Peoria, AZ 85381

August 28, 2014

ZON14-02 and PP-14-01

1. Proposed Project
Copper Cove Phase 4 is a 1.01 acre proposed 4 lot subdivision on the east side of 95th Avenue and north of Camelback Road in Glendale, Arizona. The request is for a Rezone from A-1 (Agricultural) to R1-4 Planned Residential Development. The Planned Residential Development (PRD) will complete Copper Cove Phase 2 and 3, with the same lot sizes, decorative walls, and themed landscape.

2. Public Notification Technique
Planning has determined that a notification letter is the most appropriate public notification technique for this project. A copy of the notification letter is included in the CP Plan.

3. Notification
The notification area map and a list of property owners are attached in this report. All property owners in the notification area will be notified. Additionally all interested parties, including but not limited to Registered Neighborhood Groups, Homeowners Associations', as well as those listed on the Additional Notification list. As required, labels for each list have been included in this submittal.

4. Interested Parties
Notification was sent on August 6, 2014 to all parties within 500' surrounding the property boundaries who may be affected, directly or indirectly as well as any individuals whom have expressed an interest or a concern. As required, labels for each list have been included in this submittal.

5. Potential Concerns of Interested Parties
All previous concerns were with residents north of Missouri with lots in Phase 1. No issues or concerns were raised for Phase 2/3 and no issues were raised for Copper Cove Phase 4 as well.

6. Communication with Citizens
Individuals are free to call or e-mail me at any time during the application process for comments or questions.

7. Public Notification of Changes
Another notification letter will be mailed if changes to the project occur before the advertised hearing date.

8. Coordination
Communication on any updates and citizen participation results will be communication to the project planner via e-mail or phone messages.

9. Schedule

Submitted to Project Planner for Review	**July 2014**
Plan Implemented	**Early August 2014**
Deadline for Citizen Participation Input	**Late August 2014**
Citizen Participation Plan Report Submitted	**Late August, 2014**

Notification Letter

August 6, 2014

Subject: Copper Cove Phase Rezone Case #ZON14-02

Copper Cove Re-Plat Case# PP14-01

Project Location: East side of 95th Avenue, North of Camelback Road

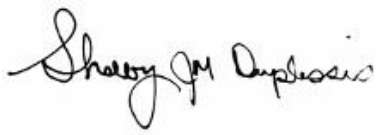
Dear Neighbor:

This letter is to inform you that DR Horton is applying to Rezone to R1-4 PRD (Planned Residential Development) development standards and a Re-Plat of Copper Cove Phase 2. The property is located north and east of the northeast corner of 95th Avenue and Camelback Road in the Yucca Council District. The requests will amend the existing 1.01 acre, A-1 Agricultural to R1-4 PRD and allow for an additional 4 lots in Copper Cove community.

The proposed project will be part of the Copper Cove Phases 2 and 3, which consists of 141 lots under the existing R1-4 PRD zoning district. The Re-Plat will add the four lots with lot sizes of 60' X 120' and 60'x125'.

I have included a site plan with this letter for your review. Please contact me with any comments or questions. Comments will also be accepted in writing, or by email, at the contact information below. You may also contact Tom Dixon with the City of Glendale at (623) 930-2553 or tdixon@glendaleaz.com.

Sincerely,



Bowman Consulting Group

Shelby JM Duplessis, PE, LEED AP

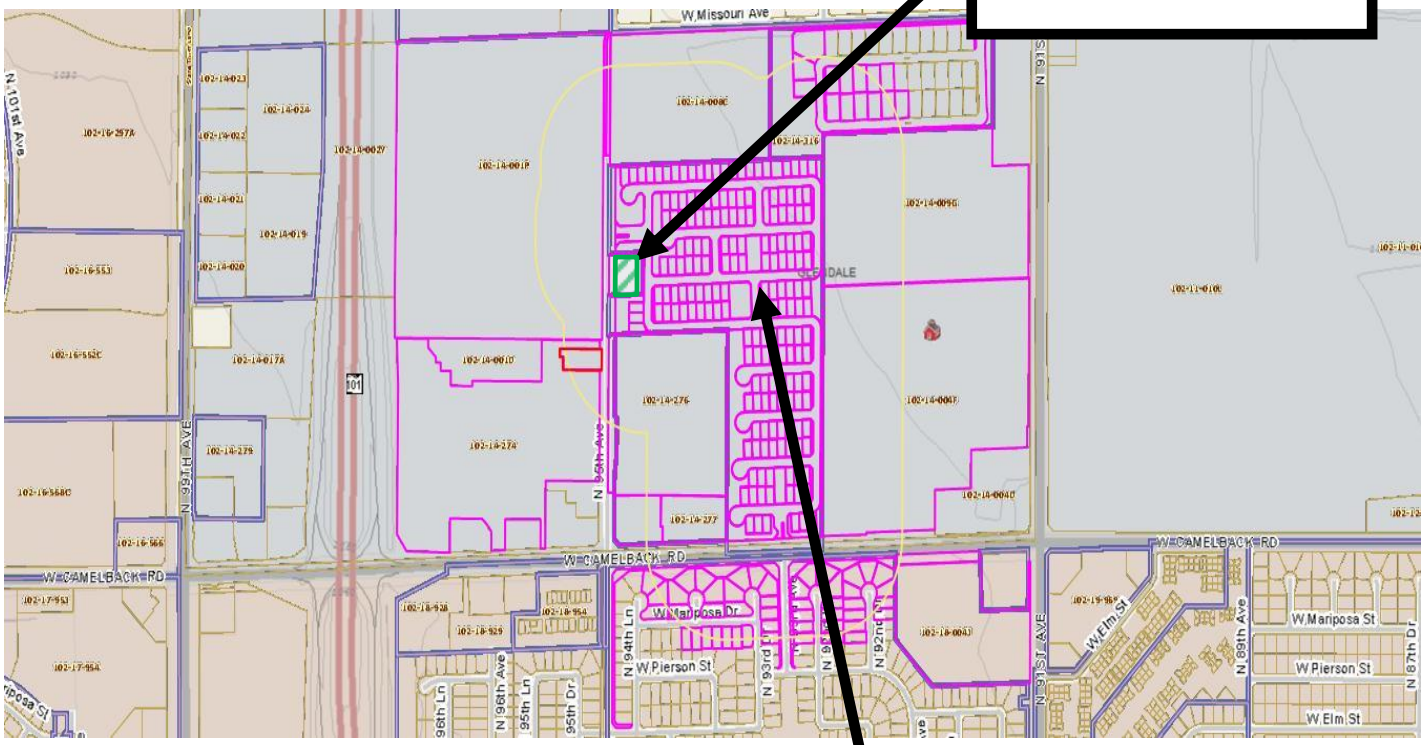
Senior Project Manager for Copper Cove

(623) 299-8981

sduplessis@bowmanconsulting.com

Property Owner List with Parcel Number and Parcel Map Attached

RECOMMENDED NEIGHBORHOOD NOTIFICATION AREA	
NAME OF REQUEST:	**COPPER COVE PHASE 4**
LOCATION:	**East side of 95th Avenue, north of Camelback Road**
Requests to 1) rezone from A-1 (Agricultural) to R1-4 PRD (Single Residence, Planned Residential Development) and 2) receive preliminary plat approval to create four lots to be included in the surrounding Copper Cove Phase 2 subdivision.	
ZONING DISTRICT: A-1 (Agricultural)	**COUNCIL DISTRICT: Yucca**



NORTH

91ST & CAMELBACK LLC
9595 WILSHIRE BLVD STE 710
BEVERLY HILLS, CA 90212
APN10218004H

91ST & CAMELBACK LLC
9595 WILSHIRE BLVD STE 710
BEVERLY HILLS, CA 90212
APN10218004J

AGUIRRE RAY G
4842 N 92ND DR
PHOENIX, AZ 85037
APN10218248

ALLEN LONNIE E/KAYE M
9315 W MARIPOSA DR
PHOENIX, AZ 85037
APN10218123

ARNOLD DAVID A/GLYNDA M
4825 N 94TH DR
PHOENIX, AZ 85037
APN10218054

BRYANT ANNETTE/VIRGAL
4832 N 94TH DR
PHOENIX, AZ 85037
APN10218057

CARDINAL LAND HOLDINGS II LLC
1879 E LONGVIEW
SALT LAKE CITY, UT 84124

CARDINAL LAND HOLDINGS II LLC
1879 E LONGVIEW
SALT LAKE CITY, UT 84124

CASTILLO GUILLERMO/JULIO
9331 W MARIPOSA DR
PHOENIX, AZ 85037

CMFASC LLC
3931 115TH AVE ST
SNOHOMISH, WA 98290

COOK WENDY/LOVETT KEVIN
9321 W MARIPOSA DR
PHOENIX, AZ 85037

CUFF SHANNON
4821 N 92ND LN
PHOENIX, AZ 85037

CUTRIGHT ERVIN/JENNY
918 N 87TH ST
SEATTLE, WA 98103

D R HORTON INC
20410 N 19TH AVE STE-100
PHOENIX, AZ 85027

DIVIDEND ASSETS LLC
14905 PARAMOUNT BLVD STE H
PARAMOUNT, CA 90723

ENCINAS-RIOS INVESTMENTS LLC
6417 E GRANT RD
TUCSON, AZ 85308

ESTES JACK O JR/DEBRA J
4830 N 92ND LN
PHOENIX, AZ 85037

GECI EDWARD M
4826 N 94TH DR
PHOENIX, AZ 85037

GILES ARACELI/EDMUNDO
8707 W CAROL AVE
PEORIA, AZ 85345

GLOVER TRUST
4830 N 93RD DR
PHOENIX, AZ 85037

GUTIERREZ JAMES A
4817 N 93RD DR
PHOENIX, AZ 85037

HAFER BRUCE A/IMELDA
9327 W MARIPOSA
PHOENIX, AZ 85037

HEGER ROGER J
706 WOODLAND AVE SW
BEMIDJI, MN 56601

INFANTE MANUEL CEJA
4811 N 92ND LN
PHOENIX, AZ 85037

JACKSON CRAIG/KELLY
4823 N 92ND DR
PHOENIX, AZ 85037

JP MORGAN CHASE BANK
PO BOX 1919
WICHITA FALLS, TX 763071919

LDR CAMELBACK 95 LLC
1702 E HIGH_AND AVE STE 310
PHOENIX, AZ 85016

LI ZHIJUN/SU HONG
17 ORCHARD LN
CHELMSFORD, MA 1824

LOPEZ ALEXANDER G/BRIDGET R
4829 N 94TH LN
PHOENIX, AZ 85308

LOWES HIW INC
1000 LOWES BLVD
MOORESVILLE, NC 28115

LUCATERO ARNULFO/GUADUALUPE
4841 N 92ND DR
PHOENIX, AZ 85037

LWW1 PROPERTY LLC
PO BOX 72869
PHOENIX, AZ 85050

MANUELL GARY A/ANNA M TR
4829 N 94TH DR
PHOENIX, AZ 85037

MAXWELL DARNNELL/SIMEON
4830 N 94TH DR
PHOENIX, AZ 85037

MAZIA STEVEN/DONNA
9914 1 57TH DR
GLENDALE, AZ 85302

MENDOZA PABLO J/HILDA P
9407 W MARIPOSA DR
PHOENIX, AZ 85037

MONTEPAGANO SEAN W
4834 N 92ND LN
PHOENIX, AZ 85037

OLLENDICK WILLIAM J/ALBERTA L
4833 N 92ND LN
PHOENIX, AZ 85037

OROZCO JOSE G/MARIA G
9413 W MARIPOSA DR
PHOENIX, AZ 85037

PAYAN CARLOS A
4825 N 92ND LN
PHOENIX, AZ 85037

PENDERGAST ELEMENTARY SCHOOL DIST NO 92
3802 N 91ST AVE
GLENDALE, AZ 85305

PHAM DEAN V/VO MYLE
4827 N 93RD DR
PHOENIX, AZ 85037

POLAR CACTUS LLC
601 CARLSON PARKWAY STE 250
MINNETONKA, MN 55305

PREVATT GARY/PEGGY
4824 N 93RD DR
PHOENIX, AZ 85037

QUINTANILLA ANA E CALLES
4825 N 94TH LANE
PHOENIX, AZ 85037

RAMOS JESUS MANUEL
4843 N 92ND DR
PHOENIX, AZ 85037

REDPEPPER REALTY PARTNERS LLC
PO BOX 44255
PHOENIX, AZ 85064

REYNOLDS WILLIAM B/CARRIE
4835 N 93RD DR
PHOENIX, AZ 85037

ROBERTSON LYNN E/ KRISTINE L
4831 N 94TH DR
PHOENIX, AZ 85037

RODRIGUEZ OLGA/RANDY R
701 FEATHERWOOD DR
DIAMOND BAR, CA 91765

RODRIGUEZ RANDY R/OLGA
701 FEATHERWOOD DR
DIAMOND BAR, CA 91765

RSI-AZ LLC
PO BOX 63064
PHOENIX, AZ 85082

RUSSELL ROBERT D/JYMIDAWN
4818 N 92ND DR
PHOENIX, AZ 85037

SALAZAR JUAN/MARIA G
4818 N 92ND LN
PHOENIX, AZ 85037

SCOTT MING C/ROBERT E
18410 W MONTEBELLO AVE
LITCHFIELD PARK, AZ 85340

SHEPHERD T W
4829 N 92ND DR
PHOENIX, AZ 85037

TERRACITA I HOMEOWNERS ASSOCIATION
8715 W UNION HILLS DR.
PEORIA, AZ 85382

TOLLESON UNION HIGH SCHOOL DISTRICT NO 214
9419 W VAN BUREN ST
TOLLESON, AZ 85353

UNITED STATES BUREAU OF RECLAMATION
201 N CENTRAL AVE STE 2200
PHOENIX, AZ 85003

VASQUEZ FRANCISCO JAVIER
4822 N 92ND LN
PHOENIX, AZ 85037

WAL-MART STORES INC
1301 S E 10TH ST
BENTONVILLE, AR 72716

WOLF HENRIETTA/CRAWFORD
JOHN J/LINDA M
9401 W MARIPOSA DR
PHOENIX, AZ 85037

Additional Notification List:

Additional Notification List:

CITY OF GLENDALE MAYOR'S OFFICE
MAYOR WEIERS
5850 W. GLENDALE AVENUE
GLENDALE, AZ 85302

GLENDALE CITY COUNCIL OFFICE
COUNCIL MEMBER CHAVIRA
5850 W. GLENDALE AVENUE
GLENDALE, AZ 85301

THOMAS DIXON, PLANNER
PLANNING
5850 W. GLENDALE AVENUE,# 212
GLENDALE, AZ 85301

DIANA FIGUEROA, SENIOR SECRETARY
PLANNING
5850 W. GLENDALE AVENUE, #212
GLENDALE, AZ 85301

Interested Parties Notification List for Proposed Development – City Wide & Yucca

INTERESTED PARTIES NOTIFICATION LIST FOR PROPOSED DEVELOPMENT - CITY WIDE & YUCCA

WILLIAM RAY
7305 W ANGELA DR
GLENDALE AZ 85308

RON PROTHERO
6316 W KEIM DR
GLENDALE AZ 85301

KAREN ABORNE
7318 W GRIFFIN AVE
GLENDALE AZ 85303

HARRIET AGIUS
7132 W GROVERS AVE
GLENDALE AZ 85308

MARY SMITH
8968 W CITRUS WAY
GLENDALE AZ 89305

DOUG ATTIG
6066 N 84TH DR
GLENDALE AZ 85305

A.I. BABINEAU
4815 W COCHISE DR
GLENDALE AZ 85302

MAGI SHRECK
10673 W RANCHO DR
GLENDALE AZ 85307

BOB BOHART
5603 W BELMONT
GLENDALE AZ 85301

JOYCE CLARK
8628 W CAVALIER DR
GLENDALE AZ 85305

DANIEL STREYLE
VERMILION IDG
3131 E CAMELBACK RD
STE 210
PHOENIX AZ 85016

ALMON DAVIS
6005 W MONTE CRISTO
GLENDALE AZ 85306

MIKE DEPINTO
6507 W SHAW BUTTE DR
GLENDALE AZ 85304-2414

DANIEL DREW
4502 W MORTEN AVE
GLENDALE AZ 85301

MICHAEL SOCACIU
8574 W BERRIDGE LN
GLENDALE AZ 85305

ASLEY GENTNER
8700 E PINNACLE PEAK RD
STE 225
SCOTTSDALE AZ 85255

JUDY FARR
6527 W HILL LN
GLENDALE AZ 85310

BARBARA FENNEMA
18033 N 83RD DR
PEORIA AZ 85382

SUSAN FERRELL
4646 W KRALL ST
GLENDALE AZ 85301

JOHN AND SUE JONES
18658 N 78TH DR
GLENDALE AZ 85308

B GARLAND
5012 N 64TH DR
GLENDALE AZ 85301

MARK GARRATT
7605 N 72ND AVE
GLENDALE AZ 85303

DENNIS GERHARD
10613 N 48TH AVE
GLENDALE AZ 85304

DIANE HAND
5349 W ACAPULCO
GLENDALE AZ 85306

DON TATE
6735 W ROBIN LN
GLENDALE AZ 85310

TOM TRAW
6024 N 83RD AVE
GLENDALE AZ 85303

ARLINE YZQUIERDO
8525 N 52ND DR
GLENDALE AZ 85302

DEBRA KIST
7137 NORTH 69TH AVENUE
GLENDALE AZ 85303

JOHN KOLODZIEJ
6258 N 88TH LN
GLENDALE AZ 85305

GEORGIA KNOX
17214 N 66TH TER
GLENDALE AZ 85308

CHRISTIAN WILLIAMS
PEORIA UNIFIED SCHOOL DISTRICT
6330 W THUNDERBIRD RD
GLENDALE, AZ 85306

TERRY LANE
6103 N 87TH LN
GLENDALE AZ 85305-2452

KATHLEEN LEWIS
7456 W AURORA DR
GLENDALE AZ 85308

MICKEY LUND
5708 W ROYAL PALM RD
GLENDALE AZ 85302

CHERI MCCLOSKEY
5336 W BECK LN
GLENDALE AZ 85306

CARRIE AND MITCH MEEK
6563 W PIUTE AVE
GLENDALE AZ 85308

DAVE TRISH
6773 W VIA MONTOYA DR
GLENDALE AZ 85310

BILL NORGREN
8608 W CAVALIER
GLENDALE AZ 85305

AL LENOX
5130 W EL CAMINITO DR
GLENDALE AZ 85302

PATTY WYRICK
9626 N 58TH LN
GLENDALE AZ 85302

VALLEY PARTNERSHIP
5110 N 44th ST STE 200
PHOENIX AZ 85018

MEL SMITH
PO BOX 12572
GLENDALE AZ 85318

ARIZONA REPUBLIC
6751 NORTH SUNSET BLVD #325
GLENDALE AZ 85305-3167

DIANA M SEGER
6132 W TOWNLEY AVE
GLENDALE AZ 85302

ERNEST MOLINA
5741 W FRIER DR
GLENDALE AZ 85301

CATHY CHESHIER
5896 WEST DEL LAGO CIR
GLENDALE AZ 85308

JEFF BLAKE
19210 NORTH 70TH AVENUE
GLENDALE AZ 85308

SANDRA MENDEZ
5412 W NORTHVIEW AVE
GLENDALE AZ 85301

GARY SHERWOOD
5928 WEST PERSHING AVE
GLENDALE AZ 85304-1123

ELAINE SCRUGGS
19641 NORTH 73RD AVENUE
GLENDALE AZ 85308

STEVEN E. FRATE
PO BOX 6265
GLENDALE AZ 85312

HOYT KESTERSON II
7625 WEST VILLA RITA DRIVE
GLENDALE AZ 85308

SUSAN HELLWIG
7615 WEST BLUEFIELD AVE
GLENDALE AZ 85308

JOHN & PAULINE HEIL
7722 W JOHN CABOT RD
GLENDALE AZ 85308

JAMES AND LINDA PETRIE
7537 W WAGONER RD
GLENDALE AZ 85308

BRIAN BEYER
7634 WEST BLUEFIELD AVE
GLENDALE AZ 85308

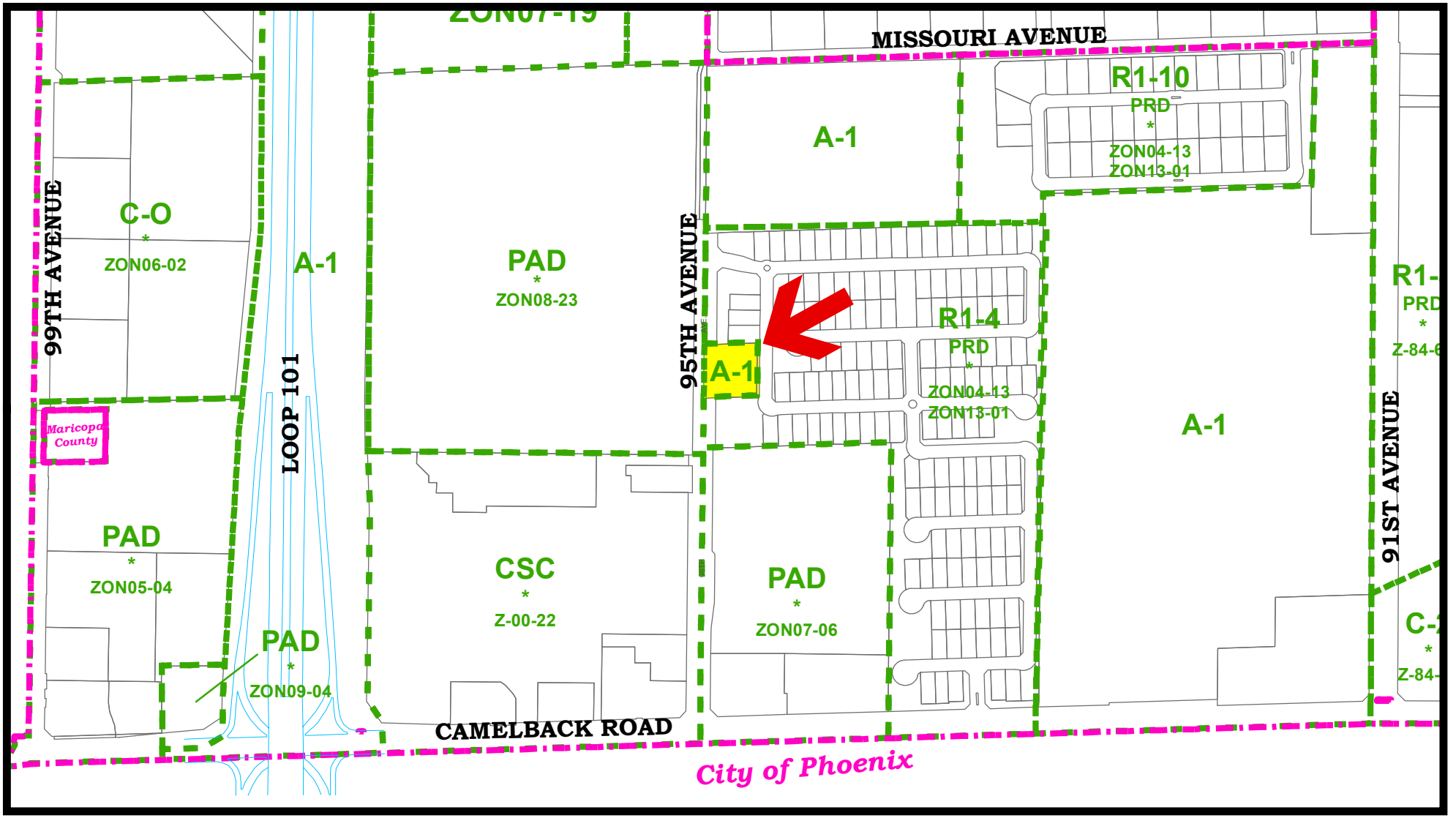
BRUCE LARSON
20746 N 56TH AVE
GLENDALE AZ 85308

JAMIE ALDAMA
7329 NORTH 68TH DRIVE
GLENDALE AZ 85303

STEVE JOHNSTON
5152 W AUGUSTA AVENUE
GLENDALE AZ 85301

DAVID PENILLA
5760 W LARKSPUR DR
GLENDALE AZ 85304

ROBERT PETRONE
19626 N 73RD AVENUE
GLENDALE AZ 85308



GLENDALE AZ

CASE NUMBER

ZON14-02

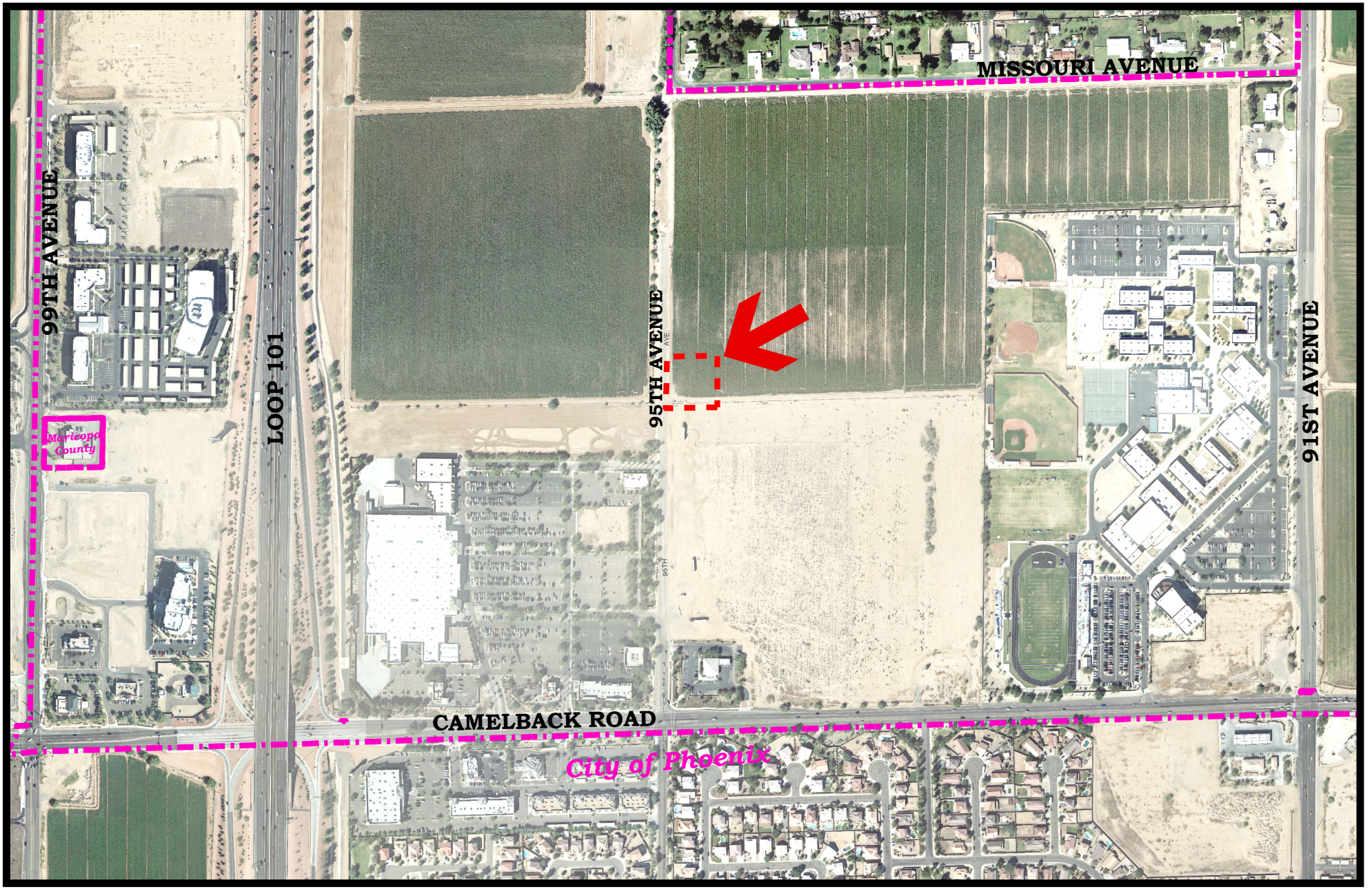
N

LOCATION

95TH AVENUE & CAMELBACK ROAD

REQUEST

REZONE 1.013 ACRES FROM A-1 (AGRICULTURAL) TO R1-4 PRD (SINGLE RESIDENCE, PLANNED RESIDENTIAL DEVELOPMENT).



Aerial Date: November 2012

GLENDALE AZ

CASE NUMBER

ZON14-02

N

File #: 14-418, **Version:** 1

ANNEXATION APPLICATION AN-173 (ORDINANCE): SABRE BUSINESS PARK (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

Purpose and Recommended Action

This is a request for City Council to conduct a public hearing, waive reading beyond the title, and adopt an annexation ordinance for Annexation Area No. 173 (AN-173) as required by Arizona State Statute 9-471. The annexation is approximately 147 acres in size, and is located on the east side of State Route 303 and both sides of Bethany Home Road.

Background

This annexation request involves 147 acres owned by two property owners. The property is presently farmed. The property will be developed as an industrial park in the future.

The area is designated Luke Compatible Land Use (LCLU) on the General Plan. The zoning district which implements the Luke Compatible Land Use designation is M-1 (Light Industrial). The property is zoned RU-43 (Rural Residential) in Maricopa County. After annexation, the city applies the most compatible Glendale zoning district to a newly annexed property. The most compatible Glendale zoning district is A-1 (Agricultural). This process will occur simultaneously with the annexation.

Simultaneous with this annexation request, staff is processing a rezoning request which will rezone the property to M-1 (Light Industrial). The rezoning request will be brought forward to Council after the annexation is completed.

The proposed annexation is within the noise contours of Luke Air Force Base. Future development will comply with all state statutes and city zoning ordinance provisions for development in the vicinity of a military airport. The property is not within a floodplain or floodway. As part of the development of the property, all drainage and storm water retention requirements of the city will be met.

Analysis

Staff recommends that this area be annexed to allow future growth and employment opportunities for Glendale. This request will implement Council direction to consider annexation requests anywhere within the Municipal Planning Area (MPA).

The Arizona League of Cities and Towns defines annexation as the process by which a city or town may assume jurisdiction over unincorporated territory adjacent to its boundaries.

Per past Council direction, Glendale will not provide water and sewer service west of 115 th Avenue. Viable private companies will provide water and sewer services for any annexed area located beyond the city's existing service area including this property. The property is presently within the water service area of Adaman Mutual Water Service Company.

The property is not within the certificated area of any sewer provider, and the property owners are members of the Loop 303 Property Owners Group. The property owners are working on a sewer solution with EPCOR, a private sewer provider, to establish a certificated sewer service area with a dedicated sewer service provider. This will allow sewer service to be established at the time of development.

In order for the property to be annexed, an ordinance is required to be brought forward to the City Council for consideration. If the ordinance is approved, staff would bring forward a rezoning request for City Council's consideration. A fiscal impact study was completed for the Loop 303 Corridor, including this property, and is included as an attachment.

Previous Related Council Action

On September 9, 2014, City Council conducted a public hearing on the blank annexation petition for AN-173 as required by Arizona Revised Statute.

At the August 5, 2014 City Council Workshop staff provided an update on the Annexation Policy.

At the January 24, 2014 City Council Workshop staff provided an update on the Annexation Policy and the PADA. Council requested staff review individual annexations when they are submitted.

On September 24, 2013 Council approved the assignment of the agreements, including the Wastewater Agreement from Global Water Resources to EPCOR Water, one of the existing private water and sewer providers within the MPA. This action allows EPCOR to be the water and sewer provider for much of this area.

On October 23, 2012, Council adopted Resolution 4624 which authorized the City of Glendale to enter into a Pre-Annexation Development Agreement (PADA) and an agreement for Future Wastewater and Recycled Services Agreement (Wastewater Agreement). The PADA was between the city and participating landowners within the Loop 303 Corridor Group, while the Wastewater Agreement was between the city and Global Water Resources.

On October 2, 2012, staff made a formal presentation to the Council concerning the Loop 303 Corridor.

On August 21, 2012 City Council reaffirmed their position taken at the Council Workshop on June 3, 2008.

Council approved a memorandum of understanding on March 9, 2010 that would permit Global Water Resources, a private sewer company, to provide sewer services in the Loop 303 Corridor.

At Council Workshop on June 3, 2008, there was discussion on the MPA. Council provided direction that provision of water and sewer services to the geographic area located west of 115 th Avenue would be paid for by property owners in this area with no impact on existing Glendale water and sewer customers elsewhere in

the city.

Community Benefit/Public Involvement

Glendale 2025, the City's General Plan, includes specific goals addressing the need for growth management. Annexation is a tool that can be used by the city to direct and manage growth. The Loop 303 Corridor is an opportunity to develop an employment base in this portion of Glendale. Annexation will bring an area for future industrial development into the corporate limits of the city, rather than having new development under Maricopa County jurisdiction. Job creation, employment opportunities, and private sector investment will be realized in the short and long term as it develops for industrial uses.

Annexation requires any future development meet the Glendale General Plan requirements as well as all other development standards for the city, rather than Maricopa County. These improvements may include road improvements as required by the Transportation Department.

Annexation will implement Council direction to annex land located within the Loop 303 Corridor. The annexation would ensure city review of all development for compatibility with the mission of Luke Air Force Base.

Once annexed, the city is required to provide services. On undeveloped sites, the city has the opportunity to work with the applicant at the time of zoning to best plan for the provision of city services.

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ORDINANCE NO. 2917 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF GLENDALE, MARICOPA COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF TITLE 9, CHAPTER 4, SECTION 9-471, ARIZONA REVISED STATUTES AND AMENDMENTS THERETO, BY ANNEXING THERETO CERTAIN TERRITORY LOCATED WITHIN AN EXISTING COUNTY ISLAND OF THE CITY OF GLENDALE CONSISTING OF APPROXIMATELY 147 ACRES AT THE NORTHEAST CORNER OF STATE ROUTE 303 AND BETHANY HOME ROAD TO BE KNOWN AS ANNEXATION AREA NO. 173.

WHEREAS, the City of Glendale on August 13, 2014 filed in the Maricopa County Recorder's Office a blank petition requesting annexation and setting forth a description and an accurate map of all the exterior boundaries of the territory located within an existing county island of the City to be annexed and other matters required by A.R.S. § 9-471;

WHEREAS, after filing the blank petition, the City of Glendale held a public hearing on September 9, 2014 to discuss the annexation proposal. The public hearing was held in accordance with applicable state law;

WHEREAS, signatures on petitions filed for annexation were not obtained for a waiting period of thirty (30) days after the filing of the blank petition;

WHEREAS, within one year after the last day of the thirty (30) day waiting period, a petition in writing was circulated and signed by the owners of one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the City of Glendale in the event of annexation, as shown by the last assessment of the property, and filed in the office of the Maricopa County Recorder's Office on October 22, 2014;

WHEREAS, no alterations increasing or reducing the territory sought to be annexed were made after the petition had been signed by a property owner;

WHEREAS, all information contained in the filings, the notices, the petition, tax and property rolls and other matters regarding a proposed or final annexation were made available by the Clerk of the City of Glendale for public inspection during regular business hours;

WHEREAS, a zoning classification which permits densities and uses no greater than those permitted by the county immediately prior to annexation will be applied by the City of Glendale to the annexation area; and

WHEREAS, the Mayor and Council of the City of Glendale, Arizona are desirous of complying with said petitions and extending and increasing the corporate limits of the City of Glendale to include said territory.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the following described territory be, and the same hereby is, annexed to the City of Glendale, and that the present corporate limits be extended and increased to include the following described territory contiguous to the present City limits of Glendale, to wit:

(See Exhibit "A" attached hereto
and incorporated herein by this reference.)

SECTION 2. That the City of Glendale zoning classification of A-1 (Agricultural) is applied to the territory described in Exhibit "A" in accordance with Arizona Revised Statutes Sec. 9-471(L) and that the effective date of this classification shall be the same as the effective date of this annexation ordinance.

SECTION 3. That a copy of this ordinance, together with an accurate map of the territory hereby annexed to the City of Glendale, certified by the Mayor and Council of said City, be forthwith filed and recorded in the office of the Maricopa County Recorder of Maricopa County, 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
an_173

EXHIBIT A

A portion of the southeast quarter of Section 12, Township 2 North, Range 2 West of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at the south quarter corner of said Section 12, monumented by a Maricopa County aluminum cap in pothole, from which the southeast corner of said Section 12, monumented by a 2003 Maricopa County aluminum cap in hand hole stamped "LS 29891" bears as a basis of bearing South 89 degrees 30 minutes 14 seconds East, 2,633.08 feet;

Thence along said south line of said Section 12, South 89 degrees 30 minutes 14 seconds East, 612.58 feet;

Thence departing said south line, North 00 degrees 29 minutes 46 seconds East, 33.00 feet to the north line of the south 33.00 feet of said southeast quarter and the Point of Beginning;

Thence departing said north line, along the new right-of-way line of State Route 303L, as shown on the Final R/W Plans for Arizona Department of Transportation Project No. 303-A(209)N, North 69 degrees, 14 minutes, 25 seconds West, 170.35 feet;

Thence North 86 degrees 14 minutes 06 seconds West, 271.84 feet;

Thence North 12 degrees 13 minutes 58 seconds West, 150.04 feet;

Thence North 00 degrees 07 minutes 02 seconds East, 146.14 feet;

Thence North 02 degrees 01 minutes 02 seconds West, 1009.52 feet;

Thence North 04 degrees 00 minutes 09 seconds East, 866.57 feet;

Thence North 00 degrees 58 minutes 09 seconds East, 350.37 feet;

Thence South 89 degrees 01 minutes 51 seconds East, 150.00 feet;

Thence North 00 degrees 58 minutes 09 seconds East, 38.88 feet to the east-west mid-section line of said Section 12;

Thence departing said new right-of-way line, along said east-west mid-section line, South 89 degrees 44 minutes 53 seconds East, 990.98 feet to the northeast corner of the northwest quarter of the southeast quarter of said Section 12;

Thence departing said east-west mid-section line, along the east line of said northwest quarter of the southeast quarter of Section 12, South 00 degrees 08 minutes 47 seconds West, 1332.88 feet to the southeast corner of said northwest quarter of the southeast quarter of Section 12, said

corner also being the northwest corner of the southeast quarter of the southeast quarter of said Section 12;

Thence departing said east line, along the north line of said southeast quarter of the southeast quarter of Section 12, South 89 degrees 37 minutes 33 seconds East, 1,284.20 feet to the west line of the east 33.00 feet of said southeast quarter of the southeast quarter of Section 12;

Thence departing said north line, along said west line, South 00 degrees 10 minutes 32 seconds West, 1,302.61 feet to the north line of the south 33.00 feet of the southeast quarter of said section 12;

Thence departing said west line, along said north line, North 89 degrees 30 minutes 14 seconds West, 1,987.31 feet to the Point of Beginning;

And that portion of the following described property, in the Southwest quarter of the Northeast quarter Section 13, Township 2 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Commencing from a Maricopa County aluminum cap in pot hole marking the North quarter corner of said Section 13, being North 89 degrees 30 minutes 14 seconds West, 2,633.08 feet from a 2003 Maricopa County aluminum cap in hand hole stamped “LS29891” marking the Northeast corner of said section 13;

Thence along the north-south mid-section line of said Section 13, South 00 degrees 15 minutes 39 seconds West, 1323.13 feet;

Thence South 89 degrees 31 minutes 45 seconds East 100.76 feet, to Point of Beginning;

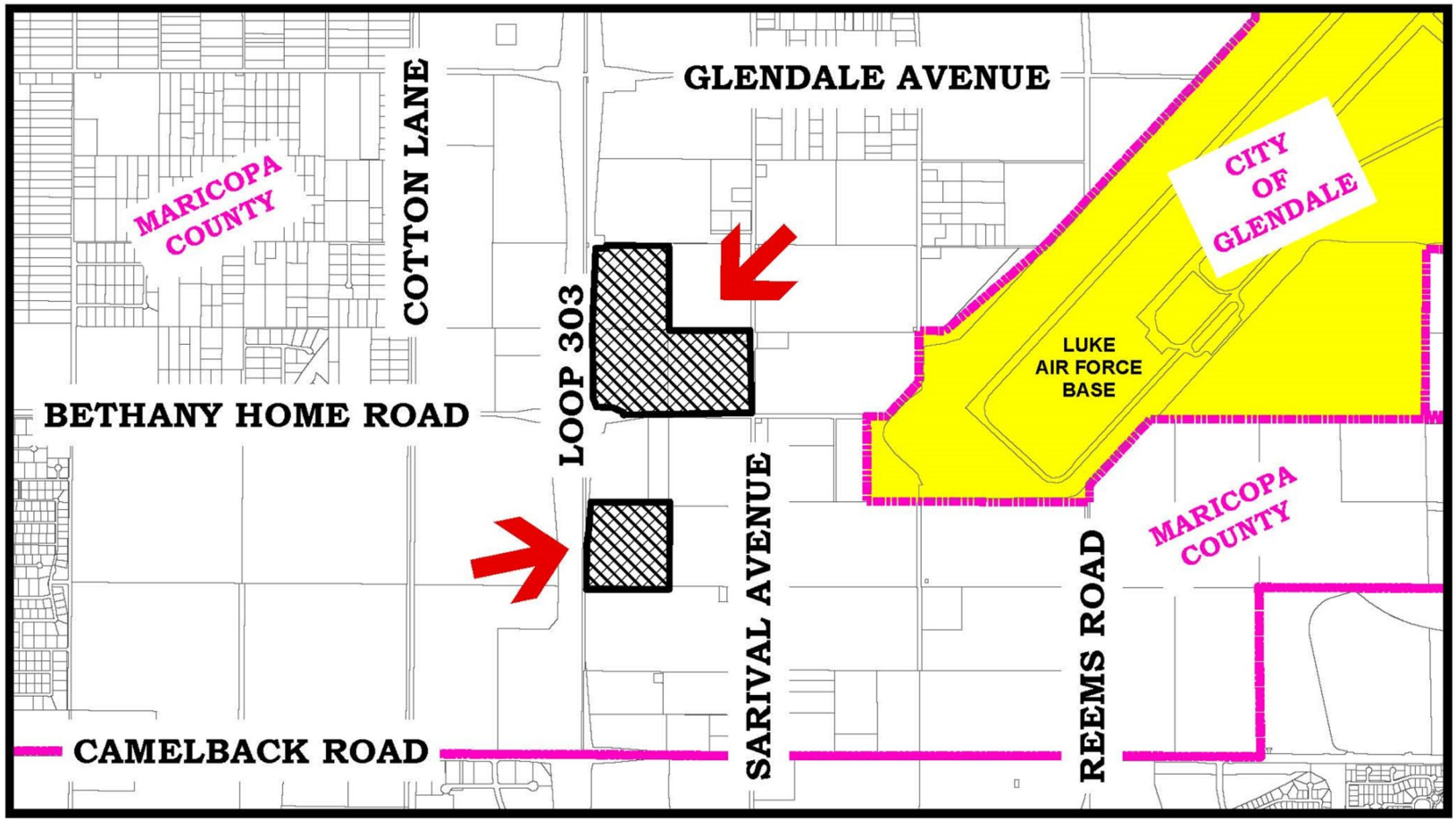
Thence South 89 degrees 31 minutes 45 seconds East, 1216.47 feet;

Thence South 00 degrees 13 minutes 19 seconds West, 1322.55 feet;

Thence North 89 degrees 33 minutes 15 seconds West, 1270.12 feet;

Thence along the new right-of-way line of State Route 303L, North 00 degrees 15 minutes 39 degrees East, 670.80 feet;

Thence North 04 degrees 53 minutes 15 seconds East, 654.09 feet to Point of Beginning.



CASE NO. AN-173

PROPOSED ANNEXATION OF APPROXIMATELY 147 ACRES AT THE NORTHEAST CORNER OF STATE ROUTE 303 AND BETHANY HOME ROAD.

GLENDALE AZ

- Glendale City Boundaries
- City of Glendale
- Proposed Annexation

N

APPLIED ECONOMICS

FISCAL IMPACTS OF WOOLF CROSSING AND THE LOOP 303 CORRIDOR ANNEXATION AREA ON THE CITY OF GLENDALE

SEPTEMBER 2012

Economic & Fiscal Impact | Demographic Analysis | Economic Development

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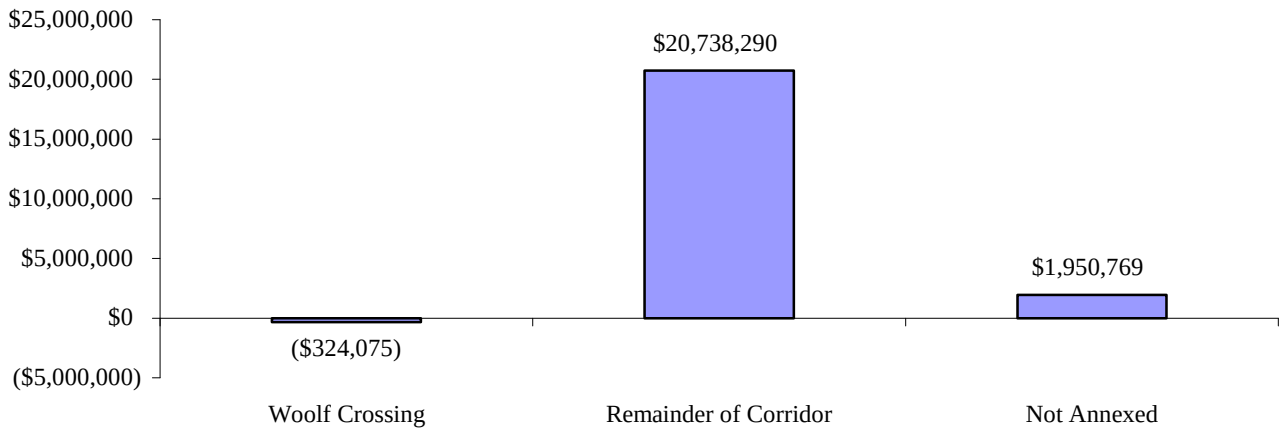
EXECUTIVE SUMMARY

This analysis demonstrates the potential socioeconomic and fiscal impacts of the Loop 303 Corridor annexation area on the City of Glendale. The annexation area is located west of the existing city limits and northwest of Luke Air Force Base. It is an irregularly shaped area extending from Camelback Road north to Peoria Avenue and west to Cotton Lane. The total area encompasses about 7,000 gross acres that are within both the MAG 208 Area and the potential annexation area for the City of Glendale. This study breaks the annexation area into two parts. Woolf Crossing, which includes 734 acres located west of the Loop 303 to Reems Road, between Northern Avenue and Olive Avenue. Woolf Crossing has already been annexed into the city but is part of the Loop 303 Corridor and will most likely be the first parcel to develop within this larger area. The second part is the remaining 6,250 acres. The entire area is currently vacant and is mostly used as agricultural land. Future land uses are primarily industrial uses with some office, commercial and low density residential development.

The following is a summary of the net fiscal impacts of this proposed annexation area on the City of Glendale. The fiscal impacts include the General Fund, Streets, Transportation Sales Tax and Police and Fire Special Revenue Funds. This study focuses on operations and maintenance revenues and expenditures. However, if annexed, this area may require other infrastructure improvements to bring it up to current city standards. The cost of these improvements is not included in the fiscal impacts.

The analysis includes build out impacts for both Woolf Crossing and the remainder of the corridor. The long term net impacts for Woolf Crossing, which is a mix of residential, retail and industrial uses, are negative at ($324,000) per year, while the impacts for and the remainder of the corridor, which is largely nonresidential, are positive at $20.7 million per year (Figure 1). The remainder of the corridor has a sufficient amount of sales tax generating uses to support the required level of expenditures while the tax generating capacity of the land use mix proposed for Woolf Crossing is outweighed by the residential service demands from this development. The analysis also quantifies the fiscal impacts of the parcels that would not be part of the proposed annexation to show the potential revenues that would be lost. Most of the area that would not be annexed is in the Luke compatible land use area and is modeled as heavy industrial, but there is one entertainment-mixed use parcel located outside of the Luke compatible area. The net fiscal impact of these parcels that are not part of the annexation area is estimated at $2.0 million per year at build out.

FIGURE 1
Annual Net Impacts
Loop 303 Corridor



Note: Includes General Fund, Streets, Transportation Sales Tax, Police and Fire Special Revenue Funds.

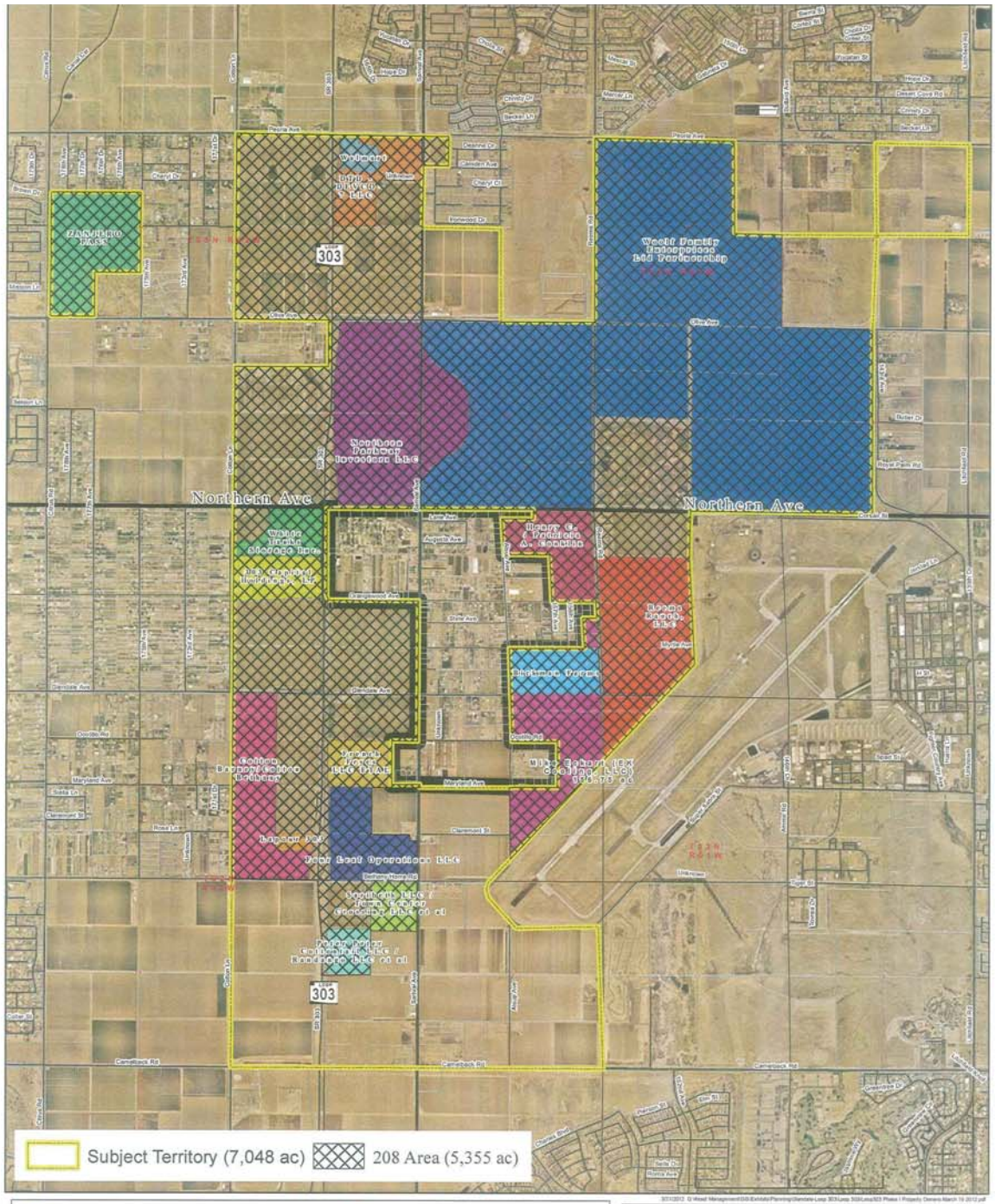
1.0 INTRODUCTION

This analysis demonstrates the potential socioeconomic and fiscal impacts of the Loop 303 Corridor annexation area on the City of Glendale, as well as the potential lost revenues from parcels that are opting out of the annexation. This 6,984 acre area, shown in Figure 2, is generally located north of Camelback Road extending to Peoria Avenue between Luke AFB and Cotton Lane. The property is currently undeveloped but is projected to include a mix of heavy industrial, warehouse, office and general commercial development with a small amount of residential, based on the approved general plan land use. The areas that would not be annexed include 996 acres with the following non-contiguous parcels: Allen Ranch, Cotton 303 LLC, French Fryes LLC, Hua Mei Land LLC, Saribeth LLC and Virgin Farms Partners. These parcels are all in the Luke Compatible land use area except for 144 acres zoned for entertainment-mixed use.

The impact analysis for the Loop 303 Corridor annexation includes build out conditions for Woolf Crossing (which has already been annexed), the remainder of the corridor and the area not annexed. The mix of nonresidential development that is projected for the Loop 303 Corridor could result in an estimated 56.5 million square feet of built space and total employment of about 91,000 by build out along with about 955 low density housing units and an estimated population of about 2,900.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Projections made in this report are based on hypothetical assumptions and current public finance policies. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid the City of Glendale in making decisions relative to the proposed development. All dollar figures should be interpreted as order of magnitude estimates only.

FIGURE 2
STUDY AREA



1.1 General Approach

The impact assessment includes revenues and expenditures associated with future development in the annexation area. It does not specifically include capital costs for new or replacement infrastructure, but does include relevant maintenance costs for items such as arterial and collector streets. The analysis includes the General Fund, Streets, Transportation Sales Tax and Police and Fire Special Revenue Funds.

The basic approach for the analysis is to determine the level and character of future development (measured in non-residential square footage, employment, housing units, population, road miles, etc.), and then to model the revenues and expenditures likely to be associated with that development. Current and historical budgets for the city were reviewed to identify revenue and expenditure line items that would be impacted by the annexation. Once identified, each line item was analyzed to identify a socioeconomic factor that could be used to predict a corresponding impact for the annexation area. For example, road miles are a good indicator of the cost of street maintenance. Therefore, by knowing the number of new road miles in the annexation area at any point in time, one could estimate the related costs in transportation and field operations departments. Many of the services provided by the city are utilized by both residents and businesses, thus population and employment are drivers for a number of revenue and expenditure items.

1.2 Report Organization

The balance of this report is divided into two sections. Section 2.0 details the methodology and assumptions used in calculating the development characteristics and the fiscal assumptions used to develop the model. Section 3.0 describes the results of the fiscal impact analysis for the annexation area.

2.0 METHODOLOGY

This chapter describes the methodology used in developing the fiscal impact model and development assumptions.

2.1 Development Characteristics

In order to analyze the fiscal impacts of annexation, it was necessary to characterize the areas in terms that could be compared with existing city. The annual impact of nonresidential development can be described in terms of employment, nonresidential square footage, assessed value, taxable sales and street miles, based on assumptions about the type of development that could be expected to occur in this area. The annual impact of residential development can be described in terms of housing units, population and assessed value. The assumptions used in this analysis are consistent with current development in the City of Glendale.

The following sections briefly describe the assumptions used to estimate each of the major characteristics of the annexation area.

Nonresidential development and employment. In total, the annexation area will include 6,334.3 acres of nonresidential development resulting in 56.5 million square feet of built space. Of that total, 454.3 acres and 3.7 million square feet are part of Woolf Crossing. Projected employment in the combined area is expected to reach 91,000 by build out based on the number of acres by land use, standard assumptions for floor-area ratios (the ratio of building area to land area), occupancy rates and per employee square footage requirements (Figure 3). The information below details the assumptions used in the model by land use. A summary of future acreage and square footage for the annexation area components is shown in Figure 4.

FIGURE 3
DEVELOPMENT ASSUMPTIONS

Land Use	Units Per Acre	HH Size	FAR	Sq Ft per Employee	Occupancy	Value per Sq Ft/Unit	Taxable Sales Per SF	Percent Retail	Annual Lease	Percent Leased
Residential										
Low Density Suburban	2.04	3.12	na	na	96%	$270,900	na	na	na	na
Rural Residential	0.77	3.12	na	na	96%	$309,150	na	na	na	na
Nonresidential										
Neighborhood Shopping Ctr	na	na	0.25	400	95%	$65	$225	100%	$13.00	100%
General Commercial	na	na	0.20	350	95%	$89	$225	80%	$15.00	75%
Heavy Commercial	na	na	0.10	700	95%	$71	$110	50%	$13.00	75%
Hotel/Motel	na	na	0.82	500	100%	$171	$0	100%	$48.60	65%
General Office	na	na	0.21	250	95%	$98	$0	0%	$20.00	75%
Light Industrial/Warehouse	na	na	0.20	1,000	90%	$65	$25	10%	$4.20	100%
Heavy Industrial	na	na	0.20	700	90%	$74	$0	0%	$7.20	75%
Business Park	na	na	0.25	500	90%	$94	$0	0%	$10.80	50%
Elementary School	na	na	0.15	1,200	100%	na	$0	0%	$0.00	0%
Vacant										
Agriculture	na	na	na	0	na	$5,000	na	0%	na	na

FIGURE 4
BUILD OUT LAND USE
LOOP 303 CORRIDOR ANNEXATION

	Woolf Crossing		Remainder of Corridor		Area Not Annexed	
	Gross Acres	Sq Ft/Units	Gross Acres	Sq Ft/Units	Gross Acres	Sq Ft/Units
Residential						
Low Density Suburban (1 to 2.5 units)	274.7	504	170	312	0.00	0
Rural Residential (0 to 1 units)	0	0	200	139	0.00	0
Nonresidential						
Neighborhood Shopping Center	22.22	217,778	0.00	0	0.00	0
General Commercial	0.00	0	500.00	3,920,400	0.00	0
Heavy Commercial	0.00	0	160.00	627,264	72.00	282,269
Hotel/Motel	0.00	0	184.00	5,915,100	28.80	925,842
General Office	0.00	0	344.00	2,832,097	28.80	237,106
Light Industrial/Warehouse	178.08	1,473,861	0.00	0	0.00	0
Heavy Industrial	237.30	1,963,162	4,360.00	36,085,104	212.00	1,754,597
Business Park	0.00	0	332.00	3,434,706	14.40	148,975
Elementary School	16.70	34,554	0.00	0	0.00	0
Vacant/Agriculture						
Agriculture	0.00	0	0.00	0	640.00	0
Park	5.20	0	0.00	0		
Total	734.20	3,689,355	6,250.00	52,814,670	996.00	3,348,789

- **Neighborhood Shopping Center** – 22.22 acres in Woolf Crossing with 217,800 square feet of built space based on a floor area ratio of 0.25; 95% long term occupancy rate; 400 square feet per employee and 520 employees; $65 assessed value per square foot; $225 sales per square foot; annual lease rate of $13.00 per square foot with 100% of the space leased.

- **General Commercial** – 500 acres in the remainder of the corridor with 3,920,000 square feet based on a floor area ratio of 0.20; 95% long term occupancy rate; 350 square feet per employee and 10,600 employees; $89 assessed value per square foot; $225 sales per square foot; annual lease rate of $15.00 per square foot and 75% of the space available for lease with the remainder owner-occupied.

- **Heavy Commercial** – 160 acres in the remainder of the corridor with 627,300 square feet based on a floor area ratio of 0.10; 95% long term occupancy rate; 700 square feet per employee and 850 employees; $71 assessed value per square foot; $110 sales per square foot; annual lease rate of $13.00 per square foot and 75% of the space available for lease with the remainder owner-occupied.

- **Hotel/Motel** – 184 acres in the remainder of the corridor with 5,915,000 square feet based on a floor area ratio of 0.82; 500 square feet per employee and 11,800 employees; $171 assessed value per square foot; $48.60 sales per square foot; 75% room occupancy rate.

- **General Office** – 344 acres with 2,832,097 square feet in the remainder of the corridor based on a floor area ratio of 0.21; 95% long term occupancy rate; 250 square feet per employee and 10,800 total employees; $98 assessed value per square foot; annual lease rate of $20.00 per square foot and 75% of the space available for lease with the remainder owner-occupied.

- **Light Industrial/Warehouse** – 178.08 acres in Woolf Crossing with 1,474,000 square feet based on a floor area ratio of 0.20; 90% long term occupancy rate; 1,000 square feet per employee and 1,330 total employees; $25 taxable sales per square foot; $65 assessed value per square foot; annual lease rate of $4.20 per square foot with 100% of the space available for lease.

- **Heavy Industrial** – 237.3 acres with 1,963,000 square feet in Woolf Crossing, and 4,360 acres with 36,085,000 square feet in the remainder of the corridor based on a floor area ratio of 0.20; 90% long term occupancy rate; 700 square feet per employee and 48,900 total employees; $74 assessed value per square foot; annual lease rate of $7.20 per square foot with 75% of the space available for lease and the remainder owner-occupied.

- **Business Park** – 332.0 acres with 3,435,000 square feet in the remainder of the corridor based on a floor area ratio of 0.25; 90% long term occupancy rate; 500 square feet per employee and 6,180 total employees; $94 assessed value per square foot; annual lease rate of $10.80 per square foot with 50% of the space available for lease and the remainder owner-occupied.

Residential Development and Population. In total, the residential portions of the Loop 303 Corridor include 275 acres of low density single family development in Woolf Crossing that could result in 504 new units and a population of 1,500, along with 370 acres of low density single family in the remainder of the corridor which would support 450 units and a population of about 1,350. An occupancy rate of 96 percent was assumed for all residential. The information below details the assumptions used in the model by residential density level.

- **Low Density Suburban (1 to 2.5 units)** – 444.7 total acres with 2.04 units per acre; 3.12 persons per unit with a total of 816 units; average home value of $270,900 per unit.

- **Rural Residential (0 to 1 units)** – 200 total acres with 0.77 units per acre; 3.12 persons per unit with a total of 139 units; average existing home value of $309,150 per unit.

Other Development. Woolf Crossing also includes plans for a 5.2 acre park and a 16.7 acre elementary school site to support the adjacent residential development.

2.2 Fiscal Assumptions

The fiscal model created to assess the impacts of the Loop 303 annexation area was based on current and historical budgets for the City of Glendale. Historical trends were analyzed for eight previous fiscal years. The model reflects a long term sales tax rate of 2.2 percent. Revenue and expenditure line items in the General Fund, Streets, Transportation Sales Tax, Police and Fire Special Revenue Funds were included since these funds will be most impacted by the annexation. The model does not include any construction costs for new infrastructure, but does include relevant maintenance costs for the new street miles that would be added as the property develops. Based on the mix of land uses and the miles of existing streets, the model assumes 5.55 total street miles in Woolf Crossing and 37.24 street miles in the remainder of the annexation area at build out.

Various drivers were tested for each of the revenue and expenditure items in the model. In this way, consistent rates were developed that could be applied to the socioeconomic data for the proposed annexation area. In many cases an average of rates over the past several years was used. It is important to note that current expenditures are below historic levels due to the recession and reduced revenues. In most cases, an average of current and previous years was used in the model to better reflect long term conditions. However, some revenue and expenditure items increased at rates that were less consistent over time, or experienced permanent increases or decreases due to operational or other changes. In these cases, rates from more current budget years were used to accurately reflect current conditions. The rates and basis for all revenue and expenditure line items are shown in Figure 5.

Many of the revenue and expenditure line items are driven by population, or by “service population”, which includes both population and employment. This is because many of the services provided by the City, as well as the various types of revenues that local governments depend on, are proportional to the number of people living and working there. In some cases, population may be weighted more heavily than employment since some services are used proportionally more by residents.

Major line items that are not driven by population or employment include property tax which is a function of assessed value; sales tax which is a function of taxable sales; and a variety of permits and service charges that are a function of construction costs. On the expenditure side, planning is a function of construction value and population, and engineering and building safety are a function of annual construction. Transportation is a function of street miles and population, and the HURF funded portion of Field Operations is a function of street miles. Police is a function of calls for service by type of land use and implied staffing at that call level based on police department standards in Glendale. Fire costs are based on call volumes for similar areas within the existing city and were provided by the fire department.

It is important to note that market conditions over the next 20 years could significantly affect the projected land use and hence property and sales tax revenues resulting from the annexation area. The assumptions used in this analysis are fairly conservative and thus differences between the assumptions and actual conditions are likely to result in higher assessed values rather than lower. Also, since the exact timing for build out of this property is not known, the fiscal results are presented in current dollars.

FIGURE 5
FISCAL IMPACT MODEL DRIVERS AND RATES
GENERAL FUND, STREETS, TRANSPORTATION SALES TAX AND POLICE AND FIRE SPECIAL REVENUE FUNDS

Revenue/Expenditure Item	Driver	Rate/Basis for Calculation
GENERAL FUND		
Taxes and Fees		
Property Tax	assessed value	0.002252 * ((16% * vacant land value) + (10% * residential value) + (20% * comm/ind value))
City Sales Tax	taxable sales per square foot, retail share	sales per square foot * square footage by type * retail share * 2.2%) + (lease rate * square footage by type * lease share * 2.2%) + (2.2% * 65% * construction value) + (7.2% * hotel/motel sales)
Utility Franchise Fees	service population	$7.794 * (population + employment)
Cable Franchise Fees	service population	$4.675 * (population + employment)
Intergovernmental		
State Income Tax	Census population (will be 0 except for res. projects)	$135.81 per capita, no impact until after Census
State Sales Tax	Census population (will be 0 except for res. projects)	$86.87 per capita, no impact until after Census
Auto Lieu	population	$39.11 * population
Highway User Fees	population	$56.42 * population
LTAF	population	$4.16 * population
Grants (Transportation)	population	$2.26 * population
Licenses and Permits		
Sales Tax Licenses	retail employment	$12.03 * retail employment
Liquor License Fees	retail employment	$3.64 * retail employment
Business License	employment	$0.774 * employment
Bus./Prof License	office employment	$5.42 * office employment
Building Permits	construction value (80%), service population (20%)	($0.0041 * construction value) + ($0.573 * (population + employment)
Traffic Engineering Plan	building permits	3.47% * building permit revenues
Right of Way Permits	building permits	29.04% * building permit revenues
Charges for Servcies		
Plan Check Fees	building permits	79.53% * building permit revenues
Engineering Plan Check	construction value	$0.0016 * construction value
Misc CD Fees	building permits	10.93% * building permit revenues
Planning/Zoning Fees	building permits	22.57% * building permit revenues
Library Fines/Fees	population	$1.24 * population
Staff & Admin Chargebacks	service population	$13.297 * (population *2 + employment)
Fire Department Fees	service population	$6.429 * (population *2 + employment)
Arena Fees	not modeled	
Recreation Fees	population	$7.312 * population
Rental Income	service population	$1.907 * (population + employment)
Fines and Forfeitures		
Court Revenues	service population	$4.037 * (population * 3 + employment)
Other Revenues		
Misc. Revenue	service population, % of HURFs	$1.714 * (population *2 + employment) + (0.21% * HURF revenues)
Transit Revenue	population	$0.534 * population
Investment Income	previous year ending balance	1.5% * previous year ending balance
Administrative Services		
Administration	other admin svcs	3.41% * other administrative services
Finance	tax revenues	3.55% * tax revenues
Information Technology	City FTEs @ 0.0036 per (population*2 + employment)	$1655.39 * City FTEs
Management & Budget	City FTEs @ 0.0036 per (population*2 + employment)	$353.49 * City FTEs
Human Resources	FTE growth	$1197.86 * City FTE growth
Lease Pmts/Other Fees	City FTEs @ 0.0036 per (population*2 + employment)	$1231.36 * City FTEs
Internal Services		
City Manager	svc population (pop*2)	$1.99 * (population*2 + employment)
City Auditor	Finance	10.89% * finance expenditures
Intergovernmental Programs	current levels inflated, only impacted for whole city	
Facilities and Financial Management		
Marketing & Communications	service population	$4.78 * (population*2 + employment)
Economic Development	new jobs created	$135.09 * job growth
Community Development		
CD Administration	other community development expenditures	3.46% * development services expenditures
Building Safety	const. value	$0.0063 * construction value
Planning	const. value (80%), svc pop (20%)	($0.0037 * construction value) + $0.9195 * (population + employment)

FIGURE 5
FISCAL IMPACT MODEL DRIVERS AND RATES
GENERAL FUND, STREETS, TRANSPORTATION SALES TAX AND POLICE AND FIRE SPECIAL REVENUE FUNDS

Revenue/Expenditure Item	Driver	Rate/Basis for Calculation
Mayor/Council		
Mayor & Council	population growth	$21.60 * population growth
City Clerk	service population	$1.138 * (population*2 + employment)
City Court	service population	$4.84 * (population*3 + employment)
City Attorney	population	$12.12 * population
Public Safety		
Police and Support Services	calls for service based on land use, 1 officer per 965 calls	$148,259 * police staff
Fire	calls for service for comparable area	information provided by fire department
Homeland Security	population	$3.86 * population
Community Services		
Community Services Administration	other community services expenditures	1.12% * community services expenditures
Code Compliance	service population	$4.45 * (population + employment)
Parks & Recreation	population	$25.29 * population
Park Maintenance	park acres	$2293.05 * park acres
Community Partnerships	population	$3.97 * population
Library & Arts	population	$32.51 * population
Public Works		
Public Works Administration	other public works expenditures	0.59% * public works expenditures
Field Operations	street miles, City FTEs	($73,312 * street centerline miles) + ($3459.63 * City FTEs)
HazMat Incidence Response	service population	$0.0553 * (population*2 + employment)
Engineering	const. value (70%), svc pop (30%)	($0.0049 * construction value) + $2.86 * (population*2 + employment)
Transportation	street miles (80%), service population (20%)	($155,788 * street centerline miles) + $5.39 * (population*2 + employment)
Non-Departmental	City FTEs @ 0.0036 per (population*2 + employment)	$491.58 * City FTEs
Transfer to Airport	GF revenues	0.003% * general fund revenues
Transfer to Civic Center Fund	GF revenues	0.29% * general fund revenues
Transfer to Housing	GF revenues	0.29% * general fund revenues
Transfer to Transportation	GF revenues	0.43% * general fund revenues

Note: service population = population + employment.

3.0 IMPACT RESULTS

3.1 Impact Results-Woolf Crossing

At build out, Woolf Crossing would result in a small negative net fiscal impact to the City of ($324,000) per year with expenditures exceeding revenues by about 15 percent. Although the property would generate some sales taxes from the neighborhood retail and a moderate amount of property taxes, these are not sufficient to meet the expenditure requirements for the development, particularly the residential component which in isolation creates a negative net impact.

- In terms of sales tax, the 217,800 square feet of neighborhood retail space could generate taxable sales of $50 million per year. There could be an additional $19 million in taxable leases from the retail and industrial space, as well as a small amount of taxable sales from the light industrial space resulting in a total of about $1.5 million per year in sales tax revenues (Figure 6).

- With the addition of a total of 3.7 million square feet of retail and industrial space combined, the increase in assessed value is estimated at $234.3 million. The residential component adds $132.3 million in assessed value, resulting in a total of about $151,000 per year in property tax revenues to the General Fund. Detailed impact results are shown in Appendix A. There would be interim construction sales tax and other construction-related fee revenues that are not included here since they are non-recurring. This analysis is intended to reflect long term annual impacts.

- The largest on-going general fund expenditures for this area would be street maintenance (shown in the transportation and field operations line items from the streets and transportation sales tax funds), police and fire. Annual police and fire costs are estimated at $517,000 to serve Woolf Crossing.

- Woolf Crossing would also include 5.55 miles of additional streets, resulting in about $1.3 million in annual maintenance expenditures in the streets and transportation sales tax funds, as shown in the impact results. This is based on an estimated average maintenance cost of $229,100 per mile provided by the city transportation department.

FIGURE 6
SOCIOECONOMIC IMPACTS
LOOP 303 CORRIDOR

	Woolf Crossing	Remainder of Corridor	Area Not Annexed
Housing Units	504	451	0
Population	1,509	1,351	-
Employment	4,383	86,662	5,660
Emp./Pop Ratio	NA	85.10	NA
Total Noresidential Square Feet	3,654,801	52,814,670	3,348,788
Retail Square Feet	217,778	4,547,664	282,269
Police Staff	1.3	26.4	1.9
Officers	1.3	18.4	1.89
Additional Staff	0	8.0	0
Taxable Sales (millions)	$70.40	$1,215.86	$60.93
Taxable Hotel/Motel Sales (millions)	$0.00	$194.40	$30.43
Assessed Value (millions)	$366.55	$4,415.78	$368.69
City Maintained Road Miles	5.55	37.24	2.00

Sources: Applied Economics, 2012.

3.2 Impact Results-Remainder of Corridor

At build out, the remainder of the corridor could generate a positive net fiscal impact to the City of $20.7 million per year, with revenues exceeding expenditures by about 48 percent. The property is predominantly industrial but also includes a sizeable amount of commercial and hotel space that would generate a significant amount of both sales and property tax. Although the area includes some residential development, it is a relatively small component compared to the amount of nonresidential development.

- In terms of sales tax, the 4.5 million square feet of general commercial and heavy commercial space could generate taxable sales of $779.6 million per year. The hotel/motel space could generate an additional $194.4 million in taxable sales per year. The hotel/motel sales would generate bed tax at a rate of 5 percent (in addition to regular 2.2 percent sales tax). In addition, lease revenues from retail as well as office, heavy industrial and business park space add another $241.8 million per year in taxable sales resulting in annual sales and bed tax revenues to the City of $36.5 million. Sales taxes make up 84 percent of total revenues generated by this annexation area.

- With the addition of 52.8 million square feet of nonresidential space plus 450 housing units, assessed value is estimated at $4.4 billion, resulting in about $2.3 million per year in property tax revenues to the General Fund. Other significant revenue sources include utility and cable franchise fees, sales tax licenses and other business licenses, and administrative chargebacks. There would be interim construction sales tax and other construction-related fee revenues that are not included here since they are non-recurring.

- The largest on-going general fund expenditures for this area would be police, fire and street maintenance (shown in the transportation and field operations line items from the streets and transportation sales tax funds). These items make up 70 percent of total expenditures. Annual police and fire service costs for this annexation area are estimated at $7.2 million at build out based on average costs in the existing city. There would be additional one-time costs for public safety for stations, vehicles and equipment not shown here that would be paid for through impact fees and other funds. The 37.24 miles of new streets that are projected to be added to this area would result in $8.5 million in annual maintenance costs based on a rate of $229,100 per mile.

3.3 Impact Results-Area Not Annexed

Currently there are six properties comprising 996 acres that are opting out of the proposed annexation. Most of these properties are within the Luke AFB noise contours and are designated as Luke Compatible Land Use (shown here as heavy industrial). Properties outside the Luke Compatible area include Virgin Partners Farms with 144 acres designated as entertainment/mixed use, and 640 acres held by Allen Ranch which will likely remain as agriculture given its proximity to the end of the runway. All total, the 996 acres not included in the annexation could result in 3.3 million square feet of nonresidential space, of which 1.9 million would be heavy industrial or business park space. The area could generate about $60.9 million in taxable sales, including $30.4 million in hotel/motel sales. It could also generate an estimated $319.5 million in additional assessed value, based on the proposed uses.

The annual net impacts for these combined properties are estimated at $2.0 million per year with revenues exceeding expenditures by 58 percent. Primary revenues include $2.9 million in annual sales and bed taxes and $165,000 in property taxes. The expenditures for this area are relatively minimal. Police and fire costs are estimated at about $485,000 per year, contingent on the assumed mix of land uses. Street maintenance costs for the additional 2 miles of streets projected for this area are estimated at $458,000.

3.2 Summary

Over the long term, the Loop 303 Corridor Annexation would generate a sizeable positive net fiscal impact on the City of Glendale given that projected development includes predominantly nonresidential land uses and includes a sizeable amount of retail/commercial space. The cost of city services is generally less for nonresidential development than for residential development, and the ratio of sales tax generating uses to other types of uses is often the key factor in determining the fiscal impacts. The amount of property and sales tax revenues generated by the future development in the proposed annexation area are more than enough to cover the cost of services for the two areas combined, although Woolf Crossing alone does not generate a positive impact. Should future development plans or market conditions change significantly, the projected impact results could be quite different, but based on the assumptions used here this area overall is fiscally sustainable, and would be a positive addition to the city in terms of net fiscal impacts.

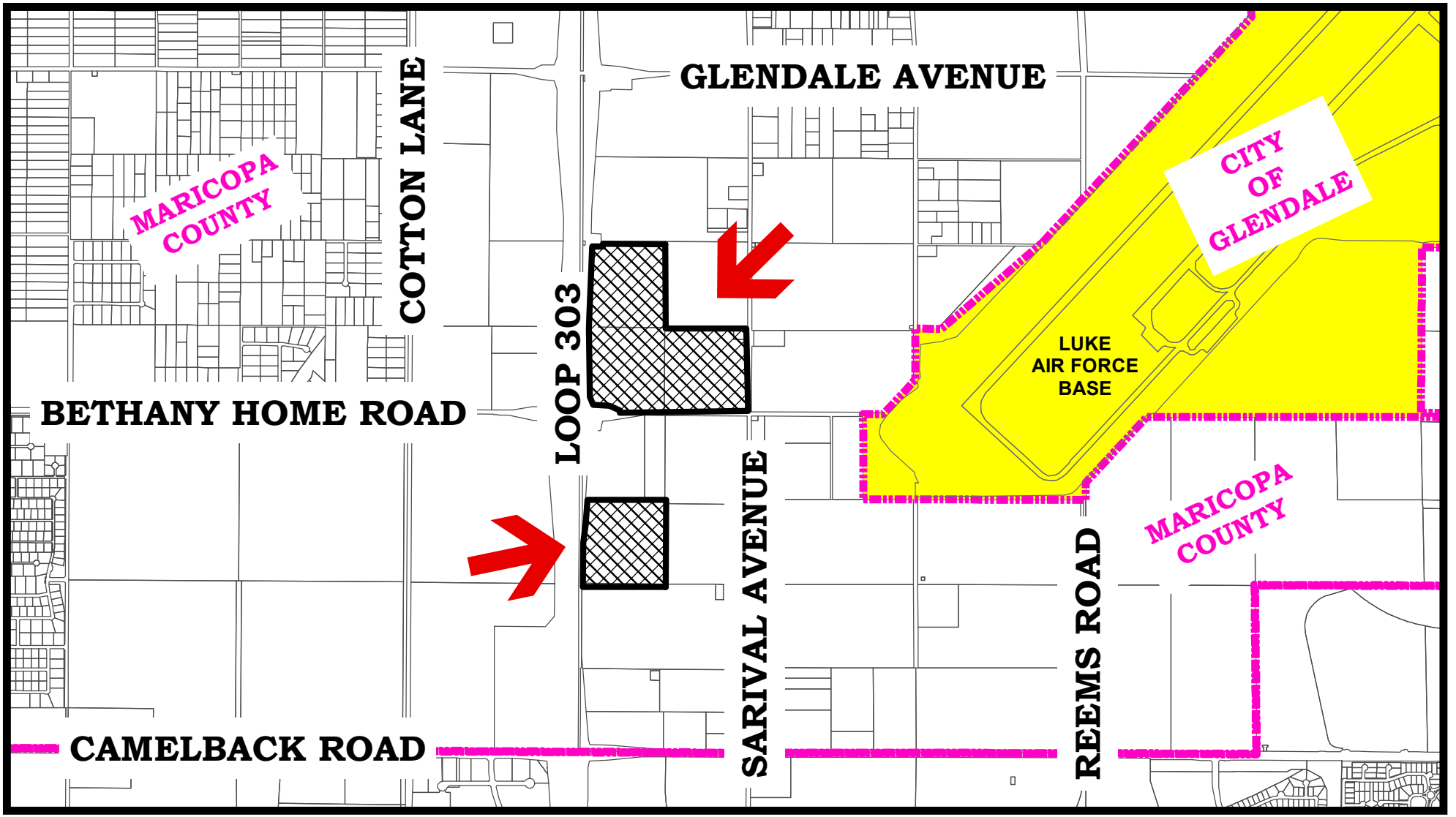
APPENDIX A

APPENDIX A
CITY OF GLENDALE ANNUAL NET IMPACT
GENERAL, STREETS, TRANSPORTATION SALES TAX, POLICE AND FIRE SPECIAL REVENUE FUNDS
LOOP 303 CORRIDOR

Revenues/Expenditures	Woolf Crossing	Remainder of Corridor	Area Not Annexed
REVENUES	**$2,175,673**	**$43,460,457**	**$3,341,758**
Taxes and Fees			
Property Tax	$151,142	$2,251,028	$165,128
Sales Tax (2.2%)	$1,548,839	$36,468,985	$2,861,881
Utility Franchise Fees	$47,781	$713,685	$45,895
Cable Franchise Fees	$28,661	$428,100	$27,530
Intergovernmental			
State Income Tax	$0	$0	$0
State Sales Tax	$0	$0	$0
Auto Lieu Tax	$61,414	$54,973	$0
Highway Users Revenue	$88,577	$79,287	$0
LTAF (Lottery)	$6,533	$5,848	$0
Grants (Transportation)	$3,555	$3,183	$0
Licenses and Permits			
Sales Tax Licenses	$6,474	$291,911	$27,971
Liquor License Fees	$1,959	$88,316	$8,462
Business License	$3,531	$69,810	$4,559
Bus./Prof License	$0	$60,726	$5,084
Building Permits	$3,514	$52,485	$3,375
Traffic Engineering Plan	$122	$1,823	$117
Right of Way Permits	$1,020	$15,241	$980
Charges for Servcies			
Plan Check Fees	$2,795	$41,742	$2,684
Engineering Plan Check	$0	$0	$0
Misc CD Fees	$384	$5,734	$369
Planning/Zoning Fees	$793	$11,844	$762
Library Fines/Fees	$1,947	$1,743	$0
Staff & Admin Chargebacks	$102,393	$1,236,272	$78,299
Fire Department Fees	$39,414	$588,710	$37,858
Recreation Fees	$11,479	$10,275	$0
Rental Income	$11,691	$174,617	$11,229
Fines and Forfeitures			
Court Revenues	$37,425	$381,010	$23,772
Other Revenues			
Misc. Revenue	$13,390	$159,566	$10,095
Transit Revenue	$838	$750	$0
Investment Income	$0	$262,792	$25,706
EXPENDITURES	**$2,499,748**	**$22,722,166**	**$1,390,989**
Administrative Services			
Administration	$6,295	$98,312	$6,924
Finance	$63,095	$1,415,817	$110,122
Information Technology	$45,308	$547,035	$34,646
Management & Budget	$9,675	$116,814	$7,398
Human Resources	$32,785	$395,841	$25,071
Lease Pmts/Other Fees	$33,702	$406,911	$25,772
Internal Services			
City Manager	$15,327	$185,051	$11,720
City Auditor	$6,868	$154,114	$11,987
Intergovernmental Programs	$0	$0	$0
Facilities and Financial Management			
Marketing & Communications	$36,795	$444,250	$28,136
Economic Development	$0	$0	$0
Community Development			
CD Administration	$195	$2,916	$188
Building Safety	$0	$0	$0
Planning	$5,637	$84,196	$5,414
Mayor/Council			
Mayor & Council	$33,915	$30,358	$0
City Clerk	$8,726	$105,361	$6,673

APPENDIX A
CITY OF GLENDALE ANNUAL NET IMPACT
GENERAL, STREETS, TRANSPORTATION SALES TAX, POLICE AND FIRE SPECIAL REVENUE FUNDS
LOOP 303 CORRIDOR

Revenues/Expenditures	Woolf Crossing	Remainder of Corridor	Area Not Annexed
City Court	$44,875	$456,858	$28,504
City Attorney	$19,024	$17,028	$0
Public Safety			
Police	$194,173	$3,910,019	$279,920
Fire	$322,364	$3,281,874	$204,762
Homeland Security	$6,056	$5,421	$0
Community Services			
Community Services Administration	$1,528	$5,521	$293
Code Compliance	$27,250	$407,025	$26,175
Parks & Recreation	$39,708	$35,544	$0
Park Maintenance	$12,406	$0	$0
Community Partnerships	$6,234	$5,580	$0
Library & Arts	$51,045	$45,691	$0
Public Works			
Public Works Administration	$8,784	$64,157	$3,557
Field Operations	$518,009	$3,983,698	$224,956
HazMat Incidence Response	$426	$5,144	$326
Engineering	$17,519	$261,670	$16,827
Transportation	$941,096	$6,537,496	$355,930
Non-Departmental	$13,454	$162,446	$10,288
Transfers			
Transfer to Airport	($569)	($11,359)	($873)
Transfer to Civic Center Fund	($6,216)	($124,168)	($9,547)
Transfer to Housing	($6,340)	($126,641)	($9,738)
Transfer to Transportation	($9,402)	($187,816)	($14,442)
OVERALL NET OPERATING IMPACT	**($324,075)**	**$20,738,290**	**$1,950,769**
as percent of revenue	**-15%**	**48%**	**58%**



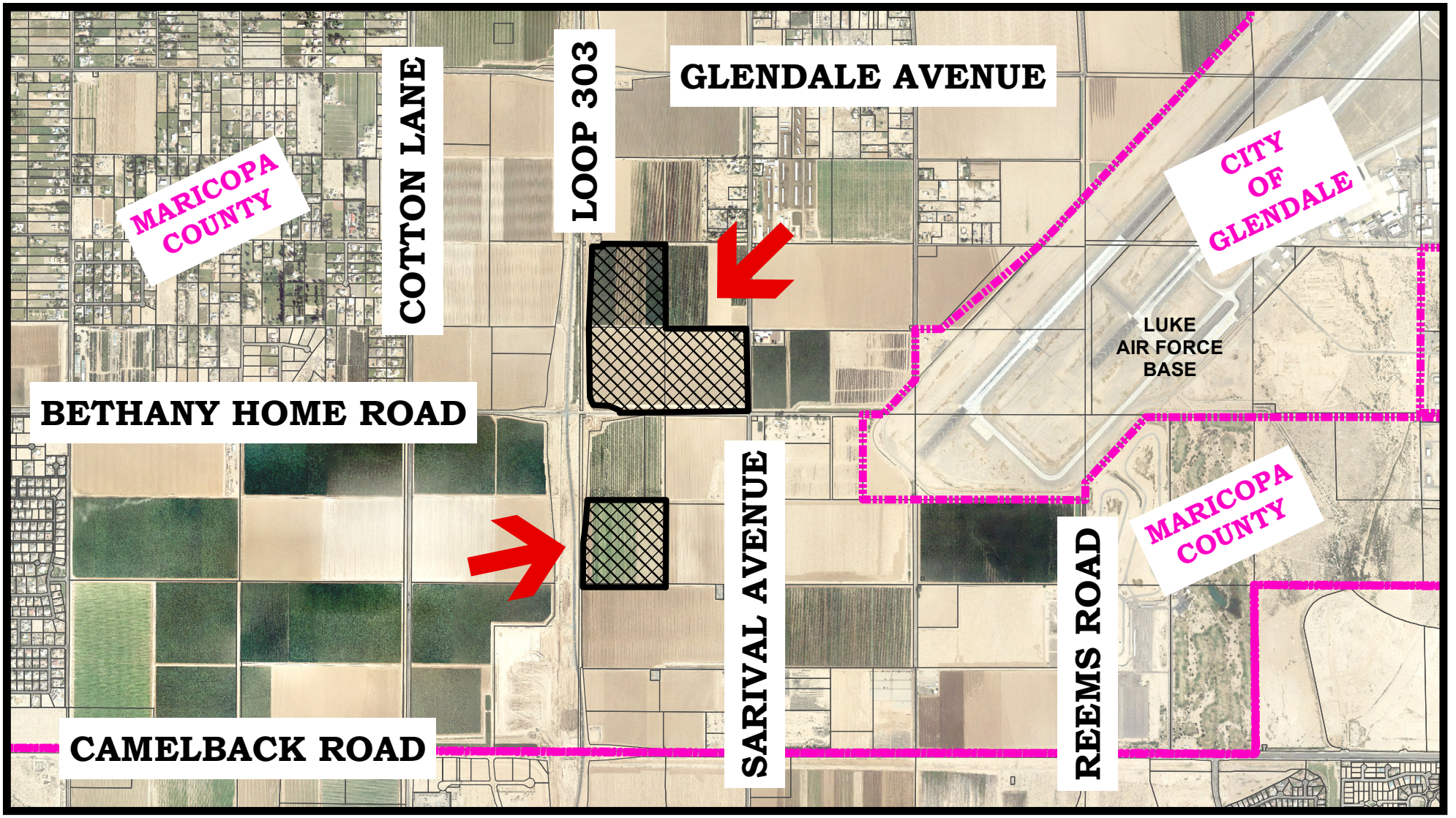
CASE NO. AN-173

PROPOSED ANNEXATION OF APPROXIMATELY 147 ACRES AT THE NORTHEAST CORNER OF STATE ROUTE 303 AND BETHANY HOME ROAD.

GLENDALE AZ

- Glendale City Boundaries
- City of Glendale
- Proposed Annexation

N



CASE NO. AN-173

PROPOSED ANNEXATION OF APPROXIMATELY 147 ACRES AT THE NORTHEAST CORNER OF STATE ROUTE 303 AND BETHANY HOME ROAD.

GLENDALE AZ

Glendale City Boundaries

Proposed Annexation

N

Legislation Description

File #: 14-419, **Version:** 1

ANNEXATION POLICY UPDATE (RESOLUTION) (PUBLIC HEARING REQUIRED)
Staff Contact: Jon M. Froke, AICP, Planning Director

Purpose and Recommended Action

This is a request for City Council to adopt a resolution amending the Annexation Policy for the City of Glendale.

Staff recommends that Council conduct a public hearing, waive reading beyond the title, and adopt a resolution amending the Annexation Policy.

Background

On December 16, 2003 Council adopted the first Annexation Policy for the City. The policy was created to guide future growth in the Loop 101 Corridor which, at that time, was in its infancy as the Sports & Entertainment District.

On July 12, 2005 the Annexation Policy was amended. The amendment focused on areas in the Loop 303 Corridor which was starting to realize planning and development growth potential.

It has been nine years since the Annexation Policy was amended. The proposed amendments focus on the following areas:

a) Reflect current conditions in the City relative to existing development patterns.
b) Reflect present annexation practices as policy provided by Council at prior workshops.
c) Revises the text of the internal Annexation Process. This section outlines the process for annexation. This text is outdated and needs to be updated.

Analysis

Staff recommends that the Annexation Policy be updated as depicted on the redlined attachment. This request will implement Council direction to consider annexation requests anywhere within the Municipal Planning Area (MPA) and reflects current conditions and practices concerning annexation of properties.

The Arizona League of Cities and Towns defines annexation as the process by which a city or town may assume jurisdiction over unincorporated territory adjacent to its boundaries.

Previous Related Council Action

At the August 5, 2014 City Council Workshop staff provided another update on the Annexation Policy as well as properties in the Loop 303 Corridor.

At the January 24, 2014 City Council Workshop staff provided an update on the Annexation Policy and indicated that updates were needed. Council requested staff continue to review individual annexations as they are submitted.

Community Benefit/Public Involvement

Glendale 2025, the City's General Plan, includes specific goals addressing the need for growth management. Annexation is a tool that can be used by the city to direct and manage growth in the MPA. Future annexation will bring development into the corporate limits of the city, rather than having new development under Maricopa County jurisdiction. Job creation, employment opportunities, and private sector investments will materialize as commercial and industrial land uses develops. New residential development allows the city to grow.

Once annexed, the city is required to provide services. On undeveloped sites, the city has the opportunity to work with the applicant at the time of zoning approval to best plan for the provision of city services.

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RESOLUTION NO. 4898 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE "ANNEXATION POLICY FOR THE CITY OF GLENDALE"; AND SETTING FORTH AN EFFECTIVE DATE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

WHEREAS the Glendale City Council adopted the City's first "Annexation Policy for the City of Glendale" on December 16, 2003; and

WHEREAS the Glendale City Council amended the City's "Annexation Policy for the City of Glendale" on July 12, 2005; and

WHEREAS it is in the best interest of the City of Glendale and its citizens to make revisions to the Annexation Policy.

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE AS FOLLOWS:

SECTION 1. That the certain document entitled "Annexation Policy for the City of Glendale, Amended: November 24, 2014," three copies of which are on file in the office of the City Clerk, is hereby adopted and said copies are ordered to remain on file with in the office of the City Clerk of the City of Glendale.

SECTION 2. That the Annexation Policy for the City of Glendale, Amended: November 24, 2014 shall become effective upon passage of this resolution by the Glendale City Council and shall replace all prior versions.

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

a-amending annexation policy

ANNEXATION POLICY

Adopted by
Glendale City Council
December 16, 2003
- Amended: July 12, 2005 -
- Amended: November 24, 2014 -

Prepared by the Glendale Planning Division~~Department~~

ANNEXATION POLICY

PREFACE

From humble beginnings on June 18, 1910 when the City of Glendale was incorporated to present day, the city~~City of Glendale~~ has grown from 1.01 square miles to approximately 56 square miles in size. Glendale's Municipal Planning Area (MPA) is approximately 92~~100~~ square miles in size. The MPA includes all of the area in the existing city limits plus the area inside the strip annexation boundaries.

Glendale began as a result of the agricultural activity in the area. The Beet Sugar Factory is exemplary of a significant milestone in the development of Glendale. The completion of Roosevelt Dam in 1911 provided the solution to the valley's unpredictable supply of water and provided a level of stability for area farmers reliant upon irrigation for successful crop growth. In the years since 1910, the City has changed from the agricultural center that it once was into a diverse community that includes agricultural activity, a variety of ~~post secondary~~post-secondary educational opportunities, employment cores, a significant medical industry and a variety of housing and recreational opportunities.

The City continues to grow and mature, and has reached a number of important development milestones in the last few years. After years of planning and twenty five years of development Arrowhead Ranch is nearing completion. The North Valley Specific Area plan, which includes regional retail development on the north and south sides of Bell Road between Loop 101 and 67th Avenue, is approaching build-out. The Agua Fria Freeway, ~~commonly~~ known as the Loop 101, has been completed and the last segment was opened in Glendale in fall 2000. As a result of the completion of the Loop 101 the Agua Fria Town Center was developed~~is under development~~ and Westgate, a mixed-use development that includes a multi-purpose arena that is~~will be~~ home to the National Hockey League's Arizona Coyotes franchise opened in 2003. Nearby the multi-use stadium that is home to the National Football League's Arizona Cardinals opened in 2006. Major corporate headquarters are choosing to locate in Glendale due to the amenities the City has to offer and the high quality of life that residents enjoy.

The opening of Loop 101 in 2000, heightened interest in annexation of the remaining unincorporated parcels located east of 115th Avenue. Annexation in the City had occurred sporadically and without the benefit of a written policy or

process prior to December 2003. December 16, 2003 marked the adoption of Glendale's first Annexation Policy.

The amendments to the 2003 Annexation Policy are a result of a City Council Workshop series that discussed the future disposition of Glendale's "strip annexation area". The workshop series concluded at a special Saturday workshop on February 12, 2005. At this Special Workshop the Glendale City Council gave three specific points of direction:

1. Viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area.
2. The City will proactively pursue voluntary annexation in the Loop 303 Corridor.
3. Consideration will be given to annexation requests submitted from any location within the Glendale Municipal Planning Area.

GROWTH MANAGEMENT

Growth management is one of the key areas of emphasis in the State of Arizona's 1998 and 2000 Growing Smarter Legislation. Glendale 2025, the City's General Plan, addresses this concept in Goal 3 of the Growth Areas Element, "Manage growth to achieve reasonable, responsible urban development."

Annexation is a tool that can be used by a city to direct and manage growth.

Annexation is defined as the process by which cities increase their geographical area. There are both benefits and costs associated with annexation. When considering annexation it is imperative that not only the short-term costs be identified but also the long-term benefits. It should be noted that annexations that occur in the near future would result in less short-term costs and greater long-term benefits compared to waiting a number of years to "close-up" the jurisdictional boundaries located east of 115th Avenue.

There are a number of reasons that a city may want to incorporate new areas into its boundaries (long-term benefits), such as:

- Effectively managing urban development
- Allowing for the efficient planning and provision of services
- Creation of a stronger community
- Social and economic benefit to the City
- Increasing the City's economic base and providing additional sources of revenue
- Management and implementation of the City's Transportation Plan

- EnsuringAssuring high quality development in accordance with City standards

Annexation has costs associated with it as well. These "short-term" costs can include:

- Upgrading service levels in the newly annexed area(s) to the same level and quality that current residents of the city already receive.
- Establishing or extending infrastructure, such as police and fire protection, streets, water and sewer service to the newly annexed area(s). The costs of upgrading infrastructure for developed parcels, once they are annexed, can be addressed through existing city programs for infrastructure improvement or the formation of an improvement district. Undeveloped parcels will include the necessary infrastructure improvements during planning, design and construction of the project. This exemplifies the concept of "making development pay for itself".

ANNEXATION POLICY AND PROCESS

The purpose of developing an Annexation Policy for the City of Glendale is to provide a rational and consistent methodology for making annexation decisions. By employing a prescribed process, the City Council will use consistent criteria provided to use in determining whether or not an individual annexation request will be in the best interest of the cityCity of Glendale.

Glendale is beset with a unique set of circumstances. First, there is the portion of the city that has been incorporated but contains county islands. This area is located east of 115th Avenue, with the exception of Luke Air Force Base. The area up to 115th Avenue has been included in the long-range planning efforts since the 1980's to provide water and sewer services, sanitation services, police and fire protection and other City services and amenities – i.e. library services and parks. Secondly, the Municipal Planning Area (MPA) includes the area west of 115th, which extends from 115th Avenue west to Perryville Road and is generally bounded by Peoria Avenue on the north and Camelback Road on the south and Peoria Avenue on the north. The area west of 115th is delineated by a strip annexation that was completed in 1978.

ANNEXATION TYPES

The Annexation Policy outlines the policy and process for two distinct types of annexation requests. The two types of annexation requests are undeveloped areas and developed areas. Consideration will be given to annexation requests submitted from any location within the Glendale Municipal Planning Area.

TYPE ONE: UNDEVELOPED AREA

- ✓ Annexation requests for undeveloped land with or without development master plans previously approved by Maricopa County.

TYPE TWO: DEVELOPED AREAS

- ✓ Annexation requests for existing residential parcels, subdivisions or non-residential sites that have been developed according to Maricopa County requirements. Property owners desiring annexation will be asked to submit written documentation that indicates that a majority of the affected property owners are interested in annexation.

  The intent for both types of annexation request is to facilitate annexation of all sites by working with the respective property owners.

LOOP 303 CORRIDOR & NORTHERN PARKWAY

The City will ~~proactively~~ pursue voluntary annexation in the Loop 303 Corridor. The Loop 303 Corridor is bounded by Peoria Avenue ~~on the north~~, Sarival Avenue ~~on the east~~, Camelback Road ~~on the south~~ and Cotton Lane ~~on the west~~. Northern Parkway is presently under development in this area to connect the Loop 303 Corridor with other portions of the MPA. ~~Proactive pursuit of voluntary annexation means that:~~

- ~~The City will initiate contact with the property owners in this corridor; and~~
- ~~Information will be provided to the owners about what it would mean to them to annex into Glendale.~~

~~Annexation processes, as outlined in pages 11 to 15 of this policy, will be followed for properties within the Loop 303 Corridor. All other aspects of the Annexation Policy apply to this emphasis area as well.~~

WATER AND SEWER SERVICE

Viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area. The City's service area ends at 115th Avenue. This policy is applicable to all annexations that may occur west of 115th Avenue in the MPA~~area generally referred to as the "strip annexation area"~~. ~~The general boundaries of the strip annexation area are Peoria Avenue, 115th Avenue, Camelback Road and Perryville Road.~~

DISCLOSURE STATEMENT

The City of Glendale is committed to providing a wide range of publicly funded services to ~~all of the city's~~ residents. In addition to these services a number of improvement programs are available to ~~the City's~~ residents to be used to upgrade existing infrastructure and enhance neighborhoods. In an effort to ensure that property owners annexing into the city have a clear understanding of the services to be provided and programs available an Annexation Disclosure Statement has been prepared. The Annexation Disclosure Statement will be provided to the property owners within the proposed annexation area throughout the annexation process. The purpose of the Annexation Disclosure Statement is to provide information regarding the following:

1. Notification to developed areas interested in annexing into the city that infrastructure improvements and the payment of the Municipal Service Fee are required prior to annexation. A Pre-Annexation Agreement is required to outline the specific improvements and fee for each developed area requesting annexation.

2. Clarification of the scope of services to be provided by the City of Glendale at the time of annexation.

3. Providing general information on improvement programs administered by the city that are available to residents of the City of Glendale for upgrading infrastructure or enhancing neighborhoods.

4. The process followed to bring newly annexed properties into compliance with the adopted codes and ordinances of the City of Glendale.

INFRASTRUCTURE IMPROVEMENTS AND MUNICIPAL SERVICE FEE – DEVELOPED AREAS

All **developed** areas requesting annexation will be required to:

1. Upgrade the proposed annexation area's existing infrastructure to comply with the current City of Glendale standards before the adoption of the annexation ordinance, or if agreed upon, accept the existing standards in place at the time of annexation. ~~and~~

2. Pay a Municipal Service Fee (MSF) equal to one year of the City's current property tax based on the assessed valuation of the proposed annexation area. The MSF would include the current primary and secondary property taxes levied by the City.

3. Enter into a Pre-Annexation Agreement with the City of Glendale. The purpose of this Agreement is to clarify the extent of the infrastructure improvements to be accomplished and the amount of the MSF to be paid.

The Council has the authority to waive the MSF and/or selected improvements, which may be accomplished through improvement programs administered by the city, if the annexation is in the best interest of the city. This allows the Council some flexibility so that each developed area requesting annexation can be evaluated on a case-by-case basis.

The intent of the MSF based on the Glendale property tax rates is to try to address the "lag time" encountered between the time an annexation is effective and the provision of city services commences and the first property tax revenue that the city receives. This "lag time" can range from a number of months to perhaps more than one year.

PRE-ANNEXATION ~~OR~~ DEVELOPMENT AGREEMENT

In situations where the city determines that an undeveloped annexation area warrants an agreement that contains more specific information than contained in the Annexation Disclosure Statement, a Pre-Annexation ~~or~~ Development Agreement (PADA) may be used. The necessity of a PADA~~Pre-Annexation or Development Agreement~~ will be determined on a case-by-case basis.

A Pre-Annexation Agreement may~~will~~ be required for developed areas requesting annexation. The purpose of the Agreement is to specifically address the infrastructure improvements that must be completed and MSF that must be paid prior to the annexation of the developed area.

COMPLIANCE WITH CITY CODES

Upon annexation into the City of Glendale all properties must comply with the adopted Codes and Ordinances of the City. Code compliance issues are a main area of concern when considering the annexation of developed properties into the City. As part of the Annexation Analysis for a developed area an evaluation of existing code violations would be completed by the city's Code Compliance Division~~Department~~. Once the initial evaluation has been completed the property owners within the proposed annexation area are informed of the

specific violations that exist on their respective properties. All properties within the proposed annexation area must be brought into compliance within one year of the effective date of the annexation. An initial 6-month "grace period" will be allotted to all property owners to voluntarily address the code violations that were identified during the Annexation Analysis. At the end of the "grace period" the properties will be re-inspected and property owners will be cited for any code violation(s) that exist. The property owners will have until the one-year anniversary of the annexation to correct all violations. ~~After that anniversary date the Code Compliance Department will take the appropriate corrective action, generally this means that the issue will go to court.~~

ANNEXATION PROCESS

TYPE ONE: UNDEVELOPED AREAS

1. **Annexation Pre-application Meeting** – A pre-application meeting similar to those used for other types of planning cases. ~~Actual staff participants may include the planning director, deputy city manager, senior planner/annexation coordinator, and other staff as necessary.~~ The function of this meeting is to make an initial determination regarding whether or not the annexation will meet statutory requirements and to discuss potential development implications associated with annexation. Additionally, at this first meeting the Annexation Disclosure Statement is presented to the property owner/applicant interested in annexation.

~~2.~~

~~3.~~2. **Annexation Application**– To initiate the formal review of an area interested in annexation into the City of Glendale the property owner(s) shall submit an Annexation Application to the Planning Division~~Department~~.

~~3.**Property Acquisition/Annexation Team** – Review of new annexation requests and on-going annexation activity occurs monthly. The purpose of this Team review will be to identify potential impacts that a requested annexation may have on provision of city services, infrastructure, and other city liability issues. This information is used as the basis for the Annexation Analysis.~~

~~4.~~3. **Annexation Analysis** - An analysis of all potential short-term and long-term costs and long-term benefits of any annexation request may~~will~~ be performed at Council's request. Arizona Revised Statutes annexation criteria are also included as part of the formal

analysis. The necessity of a Pre-Annexation ~~or~~ Development Agreement is reviewed at this point and a recommendation is prepared.

~~5.**City Manager/Management Team (CM/MT) Briefing** – The annexation analysis and the staff recommendation regarding the necessity of a Pre-Annexation Agreement is presented to the CM/MT along with staff and Property Acquisition/Annexation Team comments prior to the annexation request being scheduled for a City Council Workshop.~~

~~6.**If a Pre-Annexation or Development Agreement** is deemed necessary, that Agreement is developed prior to the City Council Workshop.~~

~~7.~~

~~7.~~4. **City Council Workshop** – The City Council may~~will~~ be briefed at a workshop study session on the annexation request. Direction will be requested from the City Council regarding the Pre-Annexation ~~or~~ Development Agreement (if applicable), and whether or not to record the blank petition that formally initiates the annexation process.

~~8.~~5. **Pre-Annexation ~~or~~ Development Agreement** (if applicable) is to be finalized and prepared for approval by the City Council.

~~9.~~6. **Recordation of Blank Petition** for Annexation

~~10.~~7. **Public Hearing on the Blank Petition**, within the last 10 days of the required 30-day waiting period.

~~11.~~8. **Collection of Signatures**, after the 30-day waiting period has expired.

~~12.~~9. **Verification** of signatures and assessed valuation percentages [50% +1]

~~13.~~10. **City Council adoption of the Annexation Ordinance**.

TYPE TWO: DEVELOPED AREAS

When dealing with developed areas and potentially large numbers of property owners, the process for annexation is quite different than it is for undeveloped

properties. Annexation of developed areas also tends to take significantly longer to accomplish.

1. **Annexation Interest/Disclosure Statement** - Information is~~and education are~~ the initial step~~s~~ in responding to a developed area that may be~~is~~ interested in annexation. Meeting(s) with the property owners of a developed area interested in annexation are the first step. It is vital that the Annexation Disclosure Statement is provided at the first inquiry made and subsequent meetings so that the property owners have accurate information to allow them to reach an informed decision about whether or not to proceed with an annexation request.

2. **Self-Inventory Packet** - The developed area requesting annexation may~~will~~ be required to complete a Self-Inventory Packet to provide an overview of the existing development. The Packet will contain a wide range of questions such as construction date of the subdivision [if applicable], number of existing dwelling units, number of vacant lots, water provider, sewer provider or septic tanks, does the development contain curb, gutter, sidewalks, streetlights and pavement, and other similar questions that will give a general overview of the existing infrastructure.

3. **Neighborhood meeting(s)** are organized when at least 51~~70~~ percent of the property owners in the developed area are interested in annexation. The number of neighborhood meetings necessary to address property owners' questions and concerns vary greatly and are determined on a case-by-case basis. The Annexation Disclosure Statement is presented to the attendees of these meetings as well as mailed out to all property owners within the proposed annexation area in an effort to inform~~educate~~ property owners about the annexation process for developed areas.

~~4.**Property Management Team –** Review of city owned property and annexation activity occurs monthly. The Team will review the Self-Inventory Packets and provide a preliminary list of infrastructure improvements that would need to be completed by the proposed annexation area.~~

~~5.~~4. **Annexation Analysis** - An analysis of all potential short-term and long-term costs and long-term benefits of any annexation request may be performed at Council's request. Arizona Revised Statutes annexation criteria are also included as part of the formal analysis. This does not include a complete Code Compliance evaluation at

this point in the process. The Code Compliance evaluation will be completed after the infrastructure improvements have been completeddone.

6.**City Manager/Management Team (CM/MT) Briefing –** Presentation and discussion of the annexation request for a developed area, the results of the Property Management Team evaluation of the Self-Inventory Packet and other pertinent information from the Annexation Analysis. CM/MT will provide direction to either proceed to a City Council workshop or to obtain additional information before specific direction can be provided.

7.5. **City Council Workshop** – The City Council maywill be briefed at a workshop on the annexation request. Direction will be requested from the City Council regarding the preparation of a Pre-Annexation Agreement and initiation of the formal annexation process, as outlined in the Arizona Revised Statutes.

8.6. **Pre-Annexation Agreement** - Prepare and present the Pre-Annexation Agreement for approval by the City Council. The Agreement shall include at a minimum: a listing of infrastructure improvements required, verify receipt of payment of the Municipal Service Fee, details on design and constructions standards to be met, how inspection of the improvements will be accomplished, and who the review, permitting, and inspection entity will be for this area.

9.7. **Infrastructure Improvements** - After the Pre-Annexation Agreement has been fully executed the developed area will proceed and pay for all design, engineering, and construction of the required infrastructure improvements.

10.8. **Recordation of Blank Petition**

11.9. **Public Hearing on the Blank Petition**, within the last 10 days of the required 30-day waiting period.

12.10. **Collection of Signatures**, after the 30-day waiting period has expired.

13.11. **Verification** of signatures and assessed valuation percentages [50% +1].
13.12.

14.**City Council adoption of the Annexation Ordinance**.

File #: 14-416, **Version:** 1

PRE-ANNEXATION DEVELOPMENT AGREEMENT: ZANJERO PASS (RESOLUTION)
Staff Contact: Jon M. Froke, AICP, Planning Director

Purpose and Recommended Action

This is a request for City Council to adopt a resolution authorizing the City of Glendale to enter into a Pre-Annexation Development Agreement (PADA). The PADA is between the city and the Maricopa County Municipal Water Conservation District No. 1 (MWD). The MWD is a participating landowner within the Loop 303 Corridor Development Group (Owners) which was created to facilitate the annexation of the Owners' properties and the development of those properties within the City of Glendale.

Staff is requesting Council waive reading beyond the title and adopt a resolution authorizing the City of Glendale to enter into a PADA.

Background

Zanjero Pass is planned as a 180 acre residential and commercial development located on the northeast corner of Olive Avenue and Citrus Road. Approximately 491 dwelling units are planned on 171 acres. A commercial shopping center of 8.18 acres is planned.

The PADA establishes various provisions for future annexation and development under the jurisdiction of the City of Glendale along with the provision of services for the property.

Simultaneous with this request, staff is processing a general plan amendment, rezoning request and a preliminary plat for this property. These applications will be brought forward to Council after the annexation is completed.

The property is not within a floodplain or floodway. As part of the development of the property, all drainage and storm water retention requirements of the city will be met, along with perimeter and internal street construction.

Analysis

Staff recommends this area be annexed to allow future growth and employment opportunities for Glendale. The planned shopping center will provide retail opportunities for this area of Glendale. This request will implement Council direction to consider annexation requests anywhere within the Municipal Planning Area (MPA).

The Arizona League of Cities and Towns defines annexation as the process by which a city or town may

assume jurisdiction over unincorporated territory adjacent to its boundaries.

Per past Council direction, Glendale will not provide water and sewer service west of 115 th Avenue. Viable private companies will provide water and sewer services for any annexed area located beyond the city's existing service area including this property.

Annexation of the Loop 303 area allows Glendale to control the land uses and development pattern in and around Luke Air Force Base. By doing so, Glendale will no longer rely on Maricopa County for land use decisions in this area.

Previous Related Council Action

On October 14, 2014 City Council held a public hearing on the blank annexation petition for Zanjero Pass.

At the August 5, 2014 City Council Workshop staff provided an update on the Annexation Policy and properties in the Loop 303 Corridor including Zanjero Pass.

At the January 24, 2014 City Council Workshop staff provided an update Annexation Policy and the PADA. Council requested staff continue to review individual annexations as they are submitted.

On September 24, 2013 City Council approved the assignment of the agreements, including the Wastewater Agreement from Global Water Resources to EPCOR Water, one of the existing private water and sewer providers within the MPA. This action allows EPCOR to be the water and sewer provider for much of this area.

On October 23, 2012 City Council adopted Resolution 4624 which authorized the City of Glendale to enter into a Pre-Annexation Development Agreement (PADA) and an agreement for Future Wastewater and Recycled Services Agreement (Wastewater Agreement). The PADA was between the city and participating landowners within the Loop 303 Corridor Group, while the Wastewater Agreement was between the city and Global Water Resources.

On October 2, 2012 staff made a formal presentation to the City Council concerning the Loop 303 Corridor.

On August 21, 2012 City Council reaffirmed their position taken at the Council Workshop on June 3, 2008.

On March 9, 2010 City Council approved a memorandum of understanding on March 9, 2010 that would permit Global Water resources, a private sewer company, to provide sewer services in the Loop 303 Corridor.

On June 3, 2008 at Council Workshop there was discussion on the MPA. City Council provided direction that provision of water and sewer services to the geographic area located west of 115 th Avenue would be paid for by property owners in the area with no impact on existing Glendale water and sewer customers elsewhere in the city.

Community Benefit/Public Involvement

Glendale 2025, the City's General Plan, includes specific goals addressing the need for growth management.

Annexation is a tool that can be used by the city to direct and manage growth. The Loop 303 Corridor is an opportunity to develop an employment base in this portion of Glendale. Annexation will bring a large area for future rail served industrial development into the corporate limits of the city, rather than having new development under Maricopa County jurisdiction. Job creation, employment opportunities, and private sector investments will materialize as commercial and industrial land uses develops.

Annexation will implement Council direction to annex land located within the Loop 303 Corridor. The annexation would ensure city review of all development for compatibility with the mission of Luke Air Force Base.

Once annexed, the city is required to provide services. On undeveloped sites, the city has the opportunity to work with the applicant at the time of zoning to best plan for the provision of city services.

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RESOLUTION NO. 4899 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF THE FOLLOWING AGREEMENT TO FACILITATE THE ANNEXATION AND DEVELOPMENT OF PROPERTY WITHIN THE LOOP 303 CORRIDOR: (1) PRE-ANNEXATION DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GLENDALE AND MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NO. ONE; AND (2) DIRECTING THAT THE CITY CLERK RECORD ANY AND ALL NECESSARY DOCUMENTS.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

WHEREAS, A.R.S. § 9-500.05 authorizes the City to enter into development agreements with persons having an interest in real property located outside the incorporated area of the municipality; and

WHEREAS, the City and owner desire that the property known as Zanjero Pass and generally located at northeast corner of Olive Avenue and Citrus Road ("Property") be annexed into the City and then rezoned and platted in conformance with the City's general plan applicable to the property;

WHEREAS, it is deemed in the best interest of the City of Glendale, its citizens, and the owner to enter into Pre-Annexation Development Agreement with Maricopa County Municipal Water Conservation District No. One for the Property.

NOW, THEREFORE, LET IT BE RESOLVED by the Council of the City of Glendale as follows:

SECTION 1. That the Mayor is authorized to execute the following document, which is now on file in the office of the City Clerk of the City of Glendale:

Pre-Annexation Development Agreement between the City of Glendale and Maricopa County Municipal Water Conservation District No. 1.

SECTION 2. That the City Manager and the City Clerk are hereby authorized and directed to execute and deliver said Agreements along with any and all necessary documents on behalf of the City of Glendale.

SECTION 3. That the City Clerk is hereby directed to forward the Pre-Annexation Development Agreement 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

a_zanjero pass pada

When recorded, return to:
Gammage & Burnham, P.L.C.
2 North Central Avenue, 15th Floor
Phoenix, Arizona 85004
Attention: Manjula M. Vaz

PRE-ANNEXATION AND DEVELOPMENT AGREEMENT

This Pre-Annexation and Development Agreement ("Agreement") is entered into by and between the CITY OF GLENDALE, Arizona, an Arizona municipal corporation ("City"), and MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE, a political subdivision of the State of Arizona ("Owner") (collectively "Parties").

RECITALS

A. The Owner owns approximately 179.74 acres of land ("Property") which is located in unincorporated area of Maricopa County, Arizona. The Property is legally described and depicted on Exhibit A.

B. The City wishes to encourage the reasonable development of vacant lands in the west area of the City, wishes to secure residential populations in the west area of the City as a way to maintain the long-term financial interests of the City, and wishes to provide adequate commercial opportunities in support of such residences. The City believes that annexation of the Property into the City and development of the Property in accordance with this Agreement will result in furthering these goals.

C. The Owner believes that annexation of the Property into the City and development of the Property pursuant to the terms of this Agreement will result in significant benefits to the Property and to the future residents, including greater certainty concerning the City's regulatory treatment of the Property and assurances regarding infrastructure affecting the Property.

D. The City and the Owner agree that the development of the Property in general conformance with the proposed preliminary plat, the first page of which is set forth on Exhibit B (the "Plan"), will help to further the goals of the City and the Owner. The Plan generally depicts 491 detached, single family residential

lots, approximately 8.18 acres of commercial land, roads and open space on the Property.

E. The Parties desire that the Property now be annexed into the City, then rezoned and platted in general conformance with Exhibit B.

F. A.R.S. §9-500.05 authorizes the City to enter into a development agreement with the Owner for the purpose of establishing: (i) the terms of the Agreement; (ii) the permitted uses and development standards for the Property; (iii) the density and intensity of uses and the restrictions applicable to development of structures on the Property; (iv) the conditions, terms, restrictions and requirements for annexation of the County Property by the City; (v) the conditions, items, restrictions and requirements for public infrastructure on the Property, and the funding of said public infrastructure; and (vi) providing for other matters relating to the development of the Property.

G. The Parties have previously entered into a Pre-Annexation Development Agreement for Loop 303 Phase I Utility Group, Maricopa County Recorder No. 20120989588, recorded October 31, 2012 ("Loop 303 Agreement").

H. The Owner held a pre-application meeting with the City Planning Department on February 21, 2013 to initiate rezoning of, and a preliminary plat for, the Property in the City. The Owner made extensive revisions to its proposal in response to detailed staff comments, and then the Owner submitted a minor general plan amendment, rezoning and preliminary plat application to the City on September 11, 2013 (the "Rezoning Case"). The City staff has reviewed the Rezoning Case and has found it to be responsive to City comments and direction.

I. Pursuant to the City's public participation requirements in the City's Zoning Ordinance, the Owner held public meetings regarding the Rezoning Case on August 21, 2013 and September 28, 2013.

J. Pursuant to the Loop 303 Agreement, the Owner submitted its request for the Property to be annexed to the City on September 30, 2013 (the Annexation Request").

K. The Owner wishes the City to proceed with processing of the Annexation Request and the Rezoning Case with due speed and without delay.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing premises and agreements herein, the Parties hereto state, confirm, and agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated into this Agreement as though fully restated herein.

2. Relation to Loop 303 Agreement. The Parties acknowledge continuing validity of the Loop 303 Agreement, and state their intent that this Agreement is meant to be supplemental to the Loop 303 Agreement. In the event of any conflict between this Agreement and the Loop 303 Agreement, this Agreement shall control because of its limited scope and focus on specific issues.

3. Infrastructure and Services.

a. Wastewater. The Loop 303 Agreement establishes the general manner in which wastewater services shall be provided to the Property and obligates the Owner to make arrangements with a private utility provider to provide wastewater services to the Property. The City will not provide wastewater services to the Property.

b. Water. The Owner has made arrangements with the same private utility provider to provide potable water services to the Property. The City will not provide water services, potable or otherwise, to the Property.

c. Police. The City affirms that once the Property is annexed into the City, the City shall provide police services to the Property, which service the City may provide through a third party as long as said service is provided in a manner generally consistent with service currently provided in the area through the Maricopa County Sheriff's Office. The City further affirms that neither annexation, zoning, platting nor development of the Property as set forth in Exhibit B shall trigger any requirement for financial contributions to the City by the Owner or occupants of the Property, for the dedication of land to the City by the Owner or occupants of the Property, or for the development of any structures or other physical facilities, including but not limited to police stations or substations, in order for the City to provide police services to the property.

d. Fire and Medical Rescue. The City affirms that once the Property is annexed into the City, the City shall provide fire and medical rescue services to the Property which service the City may provide through a third party as long as said service is provided in a manner generally consistent with service currently provided in the area by Rural/Metro

Corporation. The City further affirms that neither annexation, zoning, platting nor development of the Property as set forth in Exhibit B shall trigger any requirement for financial contributions to the City by the Owner or occupants of the Property, for the dedication of land to the City by the Owner or occupants of the Property, or for the development of any structures or other physical facilities, including but not limited to fire stations or substations, in order for the City to provide fire and medical rescue services to the property.

e. Streets. The Owner shall construct all streets, sidewalks, and related improvements within the Property to City standards, and then shall dedicate all such infrastructure to the City. Subject to normal City inspection and acceptance, the City agrees that it shall thereafter maintain all streets, sidewalks and related improvements within the Property.

f. Parks and Open Spaces. The Owner shall improve all parks and open spaces and related improvements within the Property, and then shall dedicate all such infrastructure to the Homeowner Association(s). The Owner acknowledges that the Homeowner Association(s) shall thereafter maintain all parks and open spaces within the Property, and that the City shall not be responsible for such maintenance.

4. Residential Impact Fees.

a. Current Ordinance. The City has an impact fee ordinance, currently codified at Chapter 28, Article 6 of the City Code. The City acknowledges that at this time, the City's residential impact fee program does not extend to the Property. Specifically, the western edge of the City's residential impact fee program is at 115th Avenue, which separates what the City terms the West 101 Area, which does have residential impact fees, and the West 303 Area, where the Property is located and does not have residential impact fees. In other words, if the Property were to be developed at this time consistent with Exhibit B, the Property would pay no impact fees.

b. In-Lieu Fees. The Parties acknowledge and agree that regardless of the City's current impact fee ordinance, described above, development of the Property will create a demand for some City services, and therefore warrants

payment of a fee. The Parties agree that the Property will pay a fee to the City of $1,888.00 per residential dwelling unit, which shall be due and payable individually for each lot at such time a building permit is pulled to construct a home on a lot. The City shall not charge, and the Property shall not pay, any other current or future municipal impact fee, but shall pay all other standard City fees, including but not limited to plan review and building permit fees.

c. Water and Wastewater. The City further acknowledges that because the Owner is securing wastewater and water from non-City sources, the Owner is exempt from any water or wastewater impact fee, in general accordance with Section 28-130 of the City Code.

5. Public Hearing Schedule.

a. Annexation and Rezoning. The Parties acknowledge that the Annexation Request and the Rezoning Case require public hearings and agree to use their best efforts to annex and rezone the property in accordance with the schedule set forth in Exhibit C.

b. Subsequent Submittals. In the event the City approves the Rezoning Case, and the Owner makes subsequent submittals to the City for Final Plat approval, grading and drainage, construction drawings and other administrative approvals, the City agrees that it will expedite review of any and all such submittals.

6. Notices. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally or sent by certified United States Mail, postage pre-paid, return receipt requested to:

The City: City of Glendale
5850 West Glendale Avenue
Glendale, AZ 85301
Attn: City Manager

With copy to:	City Attorney City of Glendale 5850 West Glendale Avenue Glendale, AZ 85301
Owner:	Maricopa Water Conservation District No. 1 P.O. Box 900 Waddell, AZ 85355 Attn: General Manager
With copy to:	Gammage & Burnham, PLC 2 North Central, 15th Floor Phoenix, AZ 85004 Attn: Manjula M. Vaz

Or to such other address or addresses as may hereafter be specified by notice given by any of the above for itself to the others. Any notice or other communication directed to a party to this Agreement shall become effective upon the earliest of the following: (a) actual receipt by that party; (b) delivery to the address of the party, addressed to the party; or (c) if given by certified or registered U.S. Mail, return receipt requested, 72 hours after deposit with the United States Postal Service, addressed to the party.

7. General Provisions.

7.1 Cooperation. To further the cooperation of the Parties in implementing this Agreement, the City and the Owner each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Owner. The initial representative for the City (the "City Representative") shall be the Planning Director Jon Froke and the initial representative for the Owner shall be its project manager Dave Maguire (the "Owner Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties to this Agreement and the development of the Property.

The City acknowledges and agrees that it is desirable for the Owner to proceed in a timely manner with the implementation of this Agreement and the development of the Property and that, accordingly, the City will follow its standard review processes and timetables for inspections, approvals, and other City actions, except as specified above in Section 5 of this Agreement, and will not purposely delay the development of the Property.

7.2 Default. Failure or unreasonable delay by the Owner or the City to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement and, if the breach is not cured within 30 days after written notice thereof from the other Party (the

"Cure Period"), shall constitute a default under this Agreement; provided, however, that if the failure is such that more than 30 days would reasonably be required to perform such action or comply with any term or provision hereof, then the Party shall have such additional time as may be necessary to perform or comply so long as the Party commences performance or compliance within said 30 day period and diligently proceeds to complete such performance or fulfill such obligation. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. In the event a breach is not cured within the Cure Period, the non-defaulting Party shall have all rights and remedies which may be available under law or equity.

7.3 Dispute Resolution; Mediation; Litigation. The Parties will use the following procedure to address any dispute arising under this Agreement (a "Dispute").

7.3.1 Either Party may initiate the Dispute resolution procedures by sending a notice of Dispute ("Notice of Dispute"). The Parties will attempt to resolve the Dispute promptly through good faith negotiations, including 1) timely escalation of the Dispute to executives who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for the matter, and 2) direct communication between the executives. If the Dispute has not been resolved within fourteen (14) days from the Notice of Dispute, the Parties will proceed to mediation.

7.3.2 Mediation. The Parties will choose an independent mediator within thirty (30) days of a notice to mediate from either Party ("Notice of Mediation"). Neither Party may unreasonably withhold consent to the selection of a mediator. If the Parties are unable to agree upon a mediator, either Party may request that American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will have an executive with authority to settle the Dispute at the mediation.

7.3.3 Litigation. If a Dispute remains unresolved for sixty (60) days after receipt of the Notice of Mediation, either Party may then submit the Dispute to a court of competent jurisdiction as provided in Section 7.17 of this Agreement, "Governing Law; Choice of Forum."

7.4 Good Standing; Authority. Each of the Parties represents and warrants to the other (a) that it is duly formed and validly existing under the laws of Arizona; and (b) that the individuals executing this Agreement on behalf of their respective Parties are authorized and empowered to bind the Party on whose behalf each such individual is signing.

7.5 Recordation. The City shall record the text of this Agreement in its entirety in the Official Records of Maricopa County, Arizona, not later than 10 days after its full execution, along with complete copies of Exhibits A, B, and C. The Clerk of the City shall maintain originals of all other Exhibits on file for public review in accord with normal public record keeping practices.

7.6 Future Effect. This Agreement shall run with the land and for the benefit of the Property. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their successors in interest and assigns; provided, however, that the Owner may, upon 10 days written notice to the City, assign its respective rights and obligations hereunder, in whole or in part, to a person or entity that has acquired title to the Property or a portion thereof, by a written instrument recorded in the Official Records of Maricopa County, Arizona, expressly assigning such rights and obligations. In the event of a complete assignment of all of its rights and obligations, the assigning Party shall be relieved of any further liability under this Agreement, however any liability existing prior to the assignment of any rights and obligations shall become the joint responsibility of both the assignor and assignee.

7.7 Term. This Agreement shall be effective upon recordation (the "Effective Date"). This Agreement shall automatically terminate twelve and one half (12 1/2) years after the Effective Date. However, regardless of termination, the City shall not discontinue applicable municipal services to the Property, once commenced, except as permitted by applicable law.

7.8 Termination Upon Sale of Public Lots. Except as otherwise provided herein, the City and the Owner hereby acknowledge and agree that this Agreement is not intended to, and shall not create conditions or exceptions to title, when sold to end purchasers or users. Therefore, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, so long as not prohibited by law, this Agreement shall terminate without the execution or recordation of any further document or instrument as to any lot (a "Public Lot") which has been finally subdivided and leased (for a period of longer than one year) or sold to an end purchaser or user thereof, and thereupon such Public Lot shall be released from and no

longer shall be subject to or burdened by the provisions of this Agreement. The Owner acknowledges that this Section of the Agreement has no impact on the continuing obligation of the Homeowners Associations(s) to maintain parks and open spaces within the Property as detailed above in Section 3(f) of this Agreement.

7.9 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between the Owner and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person or entity not a Party hereto, and no such other person or entity shall have any right or cause of action hereunder, specifically including but not limited to all other parties (aside from the Owner and the City) to the Loop 303 Agreement.

7.10 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or the Owner of the breach of any covenant or condition of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

7.11 Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining provisions permit the Parties to achieve the practical benefits of the arrangements contemplated by this Agreement. Otherwise, either Party may terminate this Agreement. If any applicable law or court of competent jurisdiction prohibits or excuses the City or the Owner, as applicable, from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provisions requiring such action shall be deemed to permit the City or the Owner, as applicable, to take such action at its discretion, if such a construction is permitted by law.

7.12 Further Documentation. Each Party agrees in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

7.13 Fair Interpretation. Both Parties have been represented by counsel in the negotiation and drafting of this Agreement, and this Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the party who drafted a provision shall not be employed in interpreting this Agreement.

7.14 Heading; Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

7.15 Computation of Time. In computing any period of time under this Agreement the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday observed by the City of Glendale, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or such legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Arizona time) on the last day of the applicable time period provided herein.

7.16 Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the parties hereto. Within 10 days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Maricopa County.

7.17 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa (or, as may be appropriate, in the Justice Courts of Maricopa County or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section.

7.18 Attorneys' Fees. In the event of a breach by any Party and commencement of a subsequent legal action in a court of law, the prevailing Party in any such dispute shall be entitled to reimbursement of reasonable attorneys' fees and court costs, including, but not limited to, the costs of expert witnesses and costs of transcript preparation.

7.19 No Owner Representations. Nothing contained herein shall be deemed to obligate the Owner to commence or complete any part or all of the development of the Property or any planning in connection with such development (including Infrastructure expenditures); provided, however, that any development of the Property undertaken by the Owner shall be done in accordance with this Agreement as may be amended from time to time.

7.20 Entire Agreement. This Agreement together with all Exhibits attached hereto (which are incorporated herein by this reference) constitutes the entire agreement between the Parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded by and merged in this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as provided herein.

CITY:

CITY OF GLENDALE, an Arizona municipal corporation

By: _____
Jerry Weiers, Mayor

Date: _____

Approved as to Form:

By: _____
Michael D. Bailey, City Attorney

Date: _____

Attested by:

By: _____
Pamela Hanna, City Clerk

Date: _____

OWNER:

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NUMBER ONE, a political subdivision of the State of Arizona

By:_____
Its: _____
Date: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

Subscribed and sworn to before me this ___ day of _____, 2014, by _____, the _____ of Maricopa County Municipal Water Conservation District Number One.

_____
Notary Public

_____
My Commission Expires

LIST OF EXHIBITS

Exhibit A	Property
Exhibit B	Plan
Exhibit C	Annexation and Rezoning Schedule

EXHIBIT "A"

ANNEXATION DESCRIPTION
"Zanjero Pass"

That property known as "Zanjero Pass Parcel 1-3 Phase 2-4" as shown in Book 979, Page 26 of Official Records of Maricopa County, AZ., being located in the West Half of Section 26, T.3N., R.2W., of the G.&S.R.M., Maricopa County, AZ., further described as follows:

Beginning at an Iron Pipe accepted as the Southwest Corner of said section 26 from which a Rebar accepted as the South Quarter corner of said section bears South 89°59'27" East, 2639.08 feet;

Thence North 00°23'32" East, 2632.93 feet along the west line of said final plat and said west half of section 26 to an Aluminum Cap accepted as the West Quarter corner of said section;

Thence continuing along said west lines North 00°23'32" East, 989.02 feet to the northwest corner of said plat for Zanjero Pass;

Thence along the north line of said plat North 89°59'57" East, 2642.94 feet to the northeast corner thereof;

Thence South 00°27'16" West, 2,306.50 feet along the east line of said plat also being the east line of said west half section 26;

Thence North 89°58'45" West, 1320.26 feet along a portion of said final plat boundary;

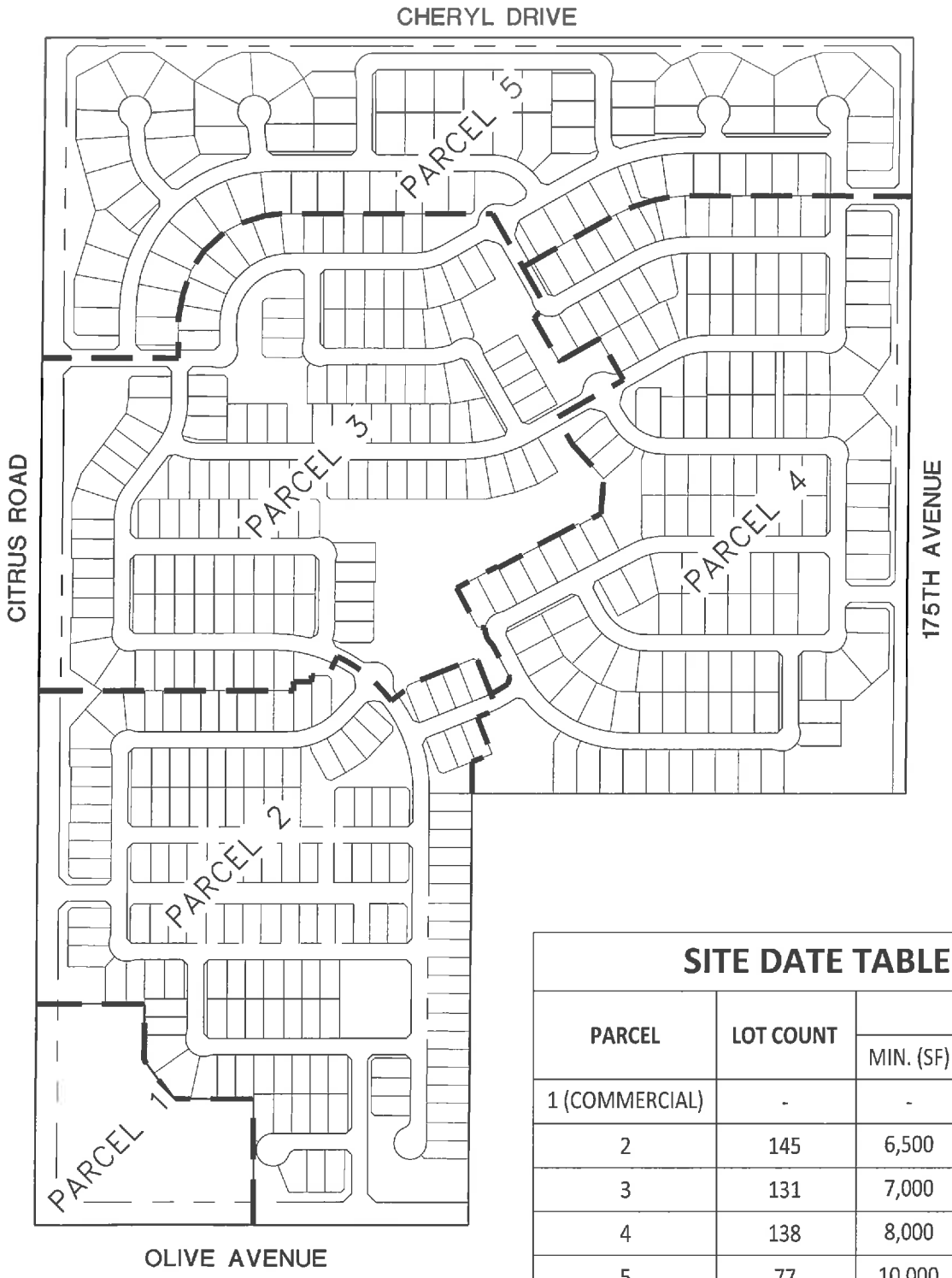
Thence South 00°25'24" West, 1316.97 feet along a portion of said final plat boundary to a point on the south line of said section 26;

Thence North 89°57'27" West, 1319.54 feet along said south line also being the south line of said final plat to the **POINT OF BEGINNING.**

Containing 179.74 Acres more or less and being subject to any easements, restrictions, or rights of way of record.

The description shown hereon was written to the centerline of all adjacent roads per our understanding of the request of the City of Glendale, AZ.

Prepared by: HilgartWilson
1661 East Camelback Road
Suite 275
Phoenix, AZ 85016
Job no. 1066
June 10, 2013



SITE DATE TABLE

PARCEL	LOT COUNT	LOT SIZE	
		MIN. (SF)	MIN. WIDTH (FT)
1 (COMMERCIAL)	-	-	-
2	145	6,500	55
3	131	7,000	60
4	138	8,000	70
5	77	10,000	80
TOTAL	491		

PROJ.NO.:	1066
DATE:	NOV. 2014
SCALE:	1"=500'
DRAWN BY:	JDL
CHECKED BY:	TB

ZANJERO PASS

("THE PLAN")
GLENDALE, ARIZONA

EXHIBIT "B"

HILGARTWILSON
2141 E. HIGHLAND AVE., STE. 250
PHOENIX, AZ 85016
P: 602.490.0535 / F: 602.368.2436

Exhibit C

Zanjero Pass Project Schedule

October / November 2014. The applicant should resume and complete the Citizen Participation process and file their Citizen Participation Final Report.

October 14, 2014. At their voting meeting the City Council conducted a public hearing on the blank annexation petition.

October 2014. A Pre Annexation Development Agreement (PADA) has been prepared and is in draft form. All parties are reviewing the PADA and comments from Glendale will be returned the week of October 20th.

November 24, 2014. All parties will work together on having the PADA scheduled for City Council consideration.

January 15, 2015. All parties will work together on having the three land use applications (minor general plan amendment, rezoning request and preliminary plat) be scheduled for Planning Commission consideration.

February 10, 2015. The Ordinance adoption for the annexation process along with the land use applications will be scheduled for City Council consideration. The preliminary plat does not need to go to City Council unless appealed.

File #: 14-432, **Version:** 1

ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF GLENDALE MUNICIPAL PROPERTY CORPORATION BONDS WITH CITY OF GLENDALE, ARIZONA EXCISE TAX REVENUE REFUNDING OBLIGATIONS AND PLEDGE CERTAIN EXCISE TAXES AND RECEIPTS TOWARD THE REFUNDING OBLIGATIONS

Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager or Chief Financial Officer to execute documents and take the necessary action to refinance a portion of City of Glendale Municipal Property Corporation excise tax revenue bonds with City of Glendale excise tax revenue refunding obligations in a par amount which under current bond market conditions savings is estimated to be $7.8 to $14.0 million. Representatives from RBC Capital Markets, LLC, the City's Financial Advisor, and Greenberg Traurig, LLP, the City's Bond Counsel, will be available for questions.

Background

During the FY14-15 Budget Workshops, Council directed staff to examine its contractual obligations and evaluate refinancing opportunities. On October 14, 2014, Council approved an agreement with RBC Capital Markets, LLC (RBC) to be the City's Financial Advisor. RBC subsequently identified several refinancing opportunities available to the City.

Subsequent to October 14, staff has worked closely with RBC and Greenberg Traurig, LLP, the City's Bond Counsel to develop the documentation and identify the structure of potential debt service cost savings through debt refinancing.

Glendale Municipal Property Corporation

A substantial portion of City debt, funded by the City's General Fund, has been issued through the Glendale Municipal Property Corporation (MPC). The MPC is a non-profit corporation formed in 1982 to assist the City of Glendale in the construction and acquisition of public facilities for the City, for example, the City Hall building and parking facilities. The MPC accomplishes this by issuing bonds which finance the public facilities with the City paying the debt service on the bonds from the City's General Fund excise (or sales) taxes. Upon payment of the bonds, the corporation transfers the assets to the City of Glendale.

The MPC is considered a "component unit" of the City of Glendale as a) the City Council approves the selected board members, b) the City Council approves any bond sales/bond refinancings, c) debt is repaid through

General Fund support, and d) the sole purpose of the MPC is to assist the City in financing public facilities. Therefore, the assets of the MPC and associated MPC debt is reported in the City of Glendale audited financial statements.

Projects financed through the MPC include the following:

Projects with No Outstanding Debt

- City Hall/Municipal Office Complex (1982 - No debt outstanding)
- Street Lighting Equipment (1988 - No debt outstanding)

Projects with Outstanding Debt

Currently, the Glendale Municipal Property Corporation (MPC) has $459,585,000 in excise tax revenue bonds outstanding for the following six projects.

- Gila River Arena - $147,370,845
- Arrowhead Towne Center Special Assessment District - $5,170,335
- Zanjero Infrastructure Improvements - $6,362,764
- Glendale Regional Public Safety Training Facility - $21,451,056
- Glendale Conference Center, Media Center, and Parking Garage - $81,055,000
- Camelback Ranch Spring Training Facility - $198,175,000

The current debt service payments on the MPC bonds are through FY37-38 with annual debt service costs ranging from $31.4 million to $36.6 million from FY14-15 through FY32-33. Starting in FY33-34 through FY37-38, the debt service costs average $22.5 million per year. Currently, 100% of the debt service costs are funded from the General Fund.

Analysis

Municipal Property Corporation Bond Refinancing

Eleven series of MPC bonds are outstanding, totaling $459,585,000, which financed the six projects listed above. Based on an analysis by RBC, five series of MPC bonds would currently provide debt service savings through a refinancing as follows:

- Series 2002B (AMFP Series 14) - Par amount available to refinance = $5,055,000
- Series 2003B Taxable Bonds - Par amount available to refinance = $94,620,000
- Series 2006A - Par amount available to refinance = $20,990,000
- Series 2008A - Par amount available to refinance = $27,760,000
- Series 2012D Subordinate Bonds - Par amount available to refinance = $8,285,000

To accomplish this refinancing, the City intends on issuing City of Glendale Excise Tax Revenue Refunding Obligations to secure lower interest rates than the current interest rates paid on the existing bonds. The proposed Refunding Obligations are being issued by the City as a more direct and cost effective way to refinance the City's MPC bonds.

It is important to note that debt service savings is conditional on bond market interest rates at the time of refinancing. As the market is subject to change, the City will only execute the transaction if net savings, after paying all costs of issuance, are realized at the time of the transaction. The proposed ordinance requires that

the refinancing savings, net of all costs, shall equal at least 2.5% of the par amount of the bonds being refinanced. The debt service savings directly benefits the City's General Fund.

In order to achieve the lowest cost of borrowing, The bonds will be sold to investors by a syndicate of bond underwriting firms (who in turn would sell the bonds to investors in the bond market) or to a bank purchaser as determined by the City Manager or Chief Financial Officer. In order to achieve the lowest cost of borrowing, City staff in conjunction with the City's Financial Advisor, will competitively solicit bond underwriters and banks to determine the most cost effective borrowing approach. It is anticipated that the sale and refinancing of the MPC bonds will occur in January 2015.

The MPC Board adopted a resolution on November 10, 2014 supporting the refinancing of the MPC bonds and authorizing their redemption, subject to approval by the City Council.

Community Benefit/Public Involvement

Bond refinancing directly impacts the cost of borrowing (debt service costs) of the City and allows the City to structure debt service payments to its advantage. This is a complicated process involving City staff, the City's Financial Advisor, the City's Bond Counsel, and other financing participants. Financial advisors have a fiduciary responsibility to the City and are critical in structuring deals that minimize costs, create financial flexibility, or address financial challenges a City may face. Bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements are met and works closely with City staff and the City's financial advisor to ensure relevant legal issues are addressed.

Budget and Financial Impacts

If savings cannot be realized, the bond refinancing will not take place. The debt service savings can only be calculated upon execution of the transaction currently anticipated for January 2015.

ORDINANCE NO. 2918 NEW SERIES

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST PURCHASE AGREEMENT, A FIRST TRUST AGREEMENT, A DEPOSITORY TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING AND AN OBLIGATION PURCHASE CONTRACT; (2) APPROVING THE SALE, EXECUTION AND DELIVERY OF EXCISE TAX REVENUE REFUNDING OBLIGATIONS IN ONE OR MORE SERIES IN ORDER TO REFUND EXCISE TAX REVENUE BONDS ISSUED ON BEHALF OF THE CITY BY THE CITY OF GLENDALE MUNICIPAL PROPERTY CORPORATION; (3) PLEDGING CERTAIN EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY TO THE PAYMENT OF SUCH OBLIGATIONS; (4) DELEGATING TO THE CITY MANAGER OR THE CHIEF FINANCIAL OFFICER OF THE CITY THE LIMITED AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND OTHER MATTERS WITH RESPECT TO SUCH OBLIGATIONS; AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT.

WHEREAS, the City of Glendale Municipal Property Corporation, a nonprofit corporation incorporated and existing pursuant to the laws of the State of Arizona (the "Corporation") has issued several series of its Excise Tax Revenue Bonds and Excise Tax Revenue Refunding Bonds (collectively, the "Excise Tax Bonds") pursuant to a Trust Indenture dated as of October 1, 1999, as heretofore supplemented and amended (as so amended, the "Indenture") to the payment of which the Corporation has pledged its rights to certain of the payments owed by the City under that certain Series 1999 Lease Agreement dated as of October 1, 1999, as heretofore supplemented and amended (as so supplemented, the "Lease"); and

WHEREAS, the City proposes to refinance the Refunded Bonds (as defined herein) in order to achieve debt service savings through the issuance of one or more series of Obligations (as defined herein) evidencing proportionate interests of the owners of such

Obligations in payments to be made by the City in the Purchase Agreement (as defined herein); and

WHEREAS, the Obligations will be issued pursuant to the Trust Agreement between the City and the Trustee (as such terms are defined herein); and

WHEREAS, pursuant to the Purchase Agreement, the City will sell to the Trustee its residual rights in the respective properties subject to the Lease relating to the Bonds Being Refunded after the repayment of the applicable Excise Tax Bonds and repurchase such rights from the Trustee (the "Residual Rights") ; and

WHEREAS, the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge excise taxes received by the City, including the City's sales, transaction or privilege taxes, the City's portion of sales, transaction, privilege or income taxes imposed and collected by the State, or by any other governmental unit or agency, and the City's other excise and franchise taxes, but excluding excise taxes, transaction privilege, franchise and income taxes of the City collected now or hereafter which have been approved at an election within the City and restricted to certain uses, such as the existing City's Public Safety Tax and Transportation Tax ("Unrestricted Excise Taxes") on a senior lien basis on a parity with the outstanding Senior Bonds (as defined in the Lease); and

WHEREAS, the Obligations will be sold by negotiated sale and if appropriate, may be reoffered pursuant to the Preliminary Official Statement and Official Statement (as such terms are defined herein); and

WHEREAS, the Board of Directors of the Corporation, by resolution duly adopted on November 10, 2004, has consented to the issuance and delivery of the Obligations and the execution by the Corporation of such instruments as may be necessary in accomplishing the refunding of the Refunded Bonds; and

WHEREAS, there have been presented to the City Council of the City at the meeting of the City Council of the City at which this Ordinance is being adopted, the proposed forms of Preliminary Official Statement, if needed, which may be distributed in connection with the offer and sale of the Obligations (the "Preliminary Official Statement") and there have been placed on file with the City Clerk the proposed forms of the following documents: (i) First Purchase Agreement to be dated as of January 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Purchase Agreement") by and between the City and the Trustee, (ii) First Trust Agreement to be dated as of January 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Trust Agreement") by and between the City and the Trustee, (iii) continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), if required pursuant to Rule 15c2-12 of the Securities and Exchange Commission, and (iv) depository trust agreement to be dated as of January 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Depository Trust Agreement"); and

WHEREAS, this Council desires to authorize the execution and delivery of the Purchase Agreement, the Trust Agreement, the Continuing Disclosure Undertaking and the Depository Trust Agreement (collectively, the "Basic Documents") and such other documents as

may be necessary in connection with the execution and delivery of said Basic Documents, the pledge of Unrestricted Excise Taxes for the payment of the amounts due under the Purchase Agreement and the issuance of the Obligations.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE AS FOLLOWS:

SECTION 1. In addition to words and terms elsewhere defined in this Ordinance, the capitalized words and terms used herein shall have the meaning given in Article 1 of the Trust Agreement.

SECTION 2. The sale and purchase of the Residual Rights pursuant to the Purchase Agreement are hereby approved; and the installment purchase payments (the "Purchase Payments") specified in the Purchase Agreement are hereby approved (but subject to the limitations on the source of City payments as set forth in Section 3). The City Manager and the Chief Financial Officer are each hereby authorized and directed to execute the Basic Documents on behalf of the City in substantially the form on file with the City Clerk with such modifications, insertions and changes as may be approved by the executing officials, which approval shall be conclusively evidenced by their execution of the Basic Documents.

SECTION 3. For the payment of the Purchase Payments due and payable under the Purchase Agreement authorized in Section 2 hereof, there are hereby pledged, on a parity basis with the Senior Bonds, but on a senior basis to the Subordinate Bonds (as defined in the Lease), the City's Unrestricted Excise Taxes. It is intended that this pledge of Unrestricted Excise Taxes will be sufficient to make the Purchase Payments pursuant to the Purchase Agreement and the City agrees and covenants to make said Purchase Payments from such Unrestricted Excise Taxes, except to the extent that it chooses to make such payments from other funds, as permitted by law. Neither the Purchase Agreement nor the promise to pay pursuant thereto nor the Obligations constitute a general obligation of the City nor shall the City be liable for the payments under the Purchase Agreement from ad valorem taxes.

SECTION 4. The City Council of the City hereby finds and determines that the refinancing of the Refunded Bonds pursuant to the terms of the Purchase Agreement and the Trust Agreement, through the issuance and the sale of the Obligations, are in furtherance of the purposes of the City and in the public interest will enhance the standard of living within the City and within the State.

SECTION 5. The City hereby approves the issuance and delivery of the Obligations in an aggregate principal amount not to exceed the amount necessary to refund the Refunded Bonds and to pay costs of issuance, provided that such refinancing shall result in a present value debt service savings net of all costs associated with the Obligations of at least two and one-half percent (2.5%).

The Obligations shall be in the denomination of $5,000 or any integral multiple thereof, shall be dated as determined by the City Manager or the Chief Financial Officer, shall bear interest from such date payable on January 1 and July 1 of each year, commencing as determined by the City Manager or the Chief Financial Officer, and shall be fully registered

bonds without coupons. The Obligations shall mature on July 1 in the years determined by the City Manager or the Chief Financial Officer but not later than the latest maturity of the Refunded Bonds.

The forms, terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange and number shall be as set forth in the Trust Agreement and are hereby approved.

The City Manager or the Chief Financial Officer is hereby authorized and directed to determine on behalf of the City: (i) the principal amount of the Obligations; (ii) the final maturity schedule of the Obligations; (iii) the provisions for prepayment in advance of maturity or payment of the Obligations; (iv) the interest rates on the Obligations; (v) the sales price and terms of the purchase of the Obligations (including the underwriter's discount and the original issue discount or premium), (vi) the provisions for credit enhancement, if any, for the Obligations including a debt service reserve fund or surety bond; (vii) the provisions for a capitalized interest or contingency amount, if any, if deemed to be in the best interests of the City (vii) the selection of any or all of the Corporation's outstanding Excise Tax Bonds consisting of the Corporation's Subordinate Excise Tax Revenue Bonds, Series 2002B; Excise Tax Revenue Bonds, Taxable Series 2003B; Excise Tax Revenue Bonds, Series 2006A; Excise Tax Revenue Bonds, Series 2008A; and Subordinate Lien Excise Tax Revenue Refunding Bonds, Series 2012D and the particular maturities of bonds within such series to be refunded (the "Bonds Being Refunded") and (viii) the identity of the financial institution to serve as trustee under the Trust Agreement (the "Trustee").

Each series of Obligations may be issued as tax-exempt or taxable as determined by the City Manager or the Chief Financial Officer in consultation with the City's legal advisors.

The provisions for redemption of the Obligations shall be as set forth in the Trust Agreement.

The forms and other terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange, and number shall be as set forth in the Trust Agreement and are hereby approved.

SECTION 6. The City Manager or the Chief Financial Officer are authorized to (i) determine whether the Obligations are to be sold pursuant to negotiated sale either to one or more underwriters as described in the Official Statement or to one or more financial institutions on a private placement basis and (ii) confirm such sale through the execution and delivery of a purchase agreement in a form similar to that executed and delivered in connection with the Excise Tax Bonds. The City Manager or the Chief Financial Officer are hereby authorized to execute and deliver such agreement in such form with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such agreement being conclusive evidence of such approval.

SECTION 7. The forms, terms and provisions of the Basic Documents, in substantially the forms of such documents (including the exhibits thereto) on file with the City Clerk, are hereby approved. The City Manager is hereby authorized and directed to execute and

deliver, and the City Clerk of the City to attest, the Basic Documents which have been approved as to form by the City Attorney, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such documents being conclusive evidence of such approval and particularly of approval and acceptance of the covenants contained therein by the City Council of the City on behalf of the City.

SECTION 8. The City Manager or the Chief Financial Officer are authorized to enter into such agreements as each determines necessary in conjunction with obtaining bond insurance or a reserve fund surety bond, if any and which are necessary to carry out and comply with the terms, provisions, and intent of this Ordinance.

All actions of the City related to preparing and distributing the Preliminary Official Statement are hereby approved and ratified. The portions of the Official Statement regarding the Obligations which concern and describe the City are hereby approved and the City Manager is hereby authorized and directed to execute the same and any required certificates as to the accuracy and completeness of said Official Statement descriptions of the City.

SECTION 9. The Preliminary Official Statement in substantially the form submitted to the City is approved and the distribution of the same is hereby approved. The Preliminary Official Statement is "deemed final" (except for permitted omissions), by the City as of its date for purposes of SEC Rule 15c212(b)(1) and a final official statement will be prepared and distributed to the Original Purchaser for purposes of SEC Rule 15c212(b)(3) and (4). The City Manager is authorized and directed to complete and sign on behalf of the City and in his or her official capacity, the Official Statement, with such modifications, changes and supplements as being necessary to carry out and comply with the terms, provisions, and intent of this Ordinance. The City Manager is authorized to use and distribute, or authorize the use and distribution of, the Official Statement and any supplements thereto as so signed in connection with the original issuance of the Obligations as may in his or her judgment be necessary or appropriate. The references to the City contained in the Preliminary Official Statement and such final Official Statement relating to the Obligations are hereby authorized and approved.

SECTION 10. The City Manager, the Chief Financial Officer and the Clerk of the City are hereby authorized and directed to do all such acts and things to execute, acknowledge and deliver all such documents (including, without limitation, tax compliance certificates, security agreements and financing statements, any amendments to such documents and all closing documents) as may in their discretion be deemed necessary or desirable to carry out and comply with the terms, provisions and intent of this Ordinance, and the Basic Documents and all exhibits to any of the foregoing. All of the acts of the officers of the City which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and the same are hereby ratified, confirmed, and approved in all respects.

SECTION 11. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Obligations designated as "tax-exempt" (the "Tax-Exempt Obligations") in such manner and to such extent as may be necessary so that (a) the Tax-Exempt Obligations will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the

interest thereon will not be treated as a preference item under Section 57 of the Code. The City Manager or the Chief Financial Officer, or any other officer having responsibility for issuance of the Tax-Exempt Obligations shall, alone or with any other necessary officer or employee or consultant to the City, give an appropriate certificate of the City, for inclusion in the transcript of proceedings for the Tax-Exempt Obligations, setting forth (i) the reasonable expectations of the City regarding the amount and use of all the proceeds of the Tax-Exempt Obligations; (ii) the facts, circumstances and estimates on which the City's expectations are based; and (iii) other facts and circumstances relevant to the tax treatment of interest on the Tax-Exempt Obligations.

The City covenants (a) that it will take or cause to be taken such actions which may be required of it for the interest on the Tax-Exempt Obligations to be and remain excluded from gross income for federal income tax purposes, (b) that it will not take or authorize to be taken any actions which would adversely affect that exclusion and (c) that it, or persons acting for it, will, among other acts of compliance; (i) apply the proceeds of the Tax-Exempt Obligations to the governmental purpose of the borrowing; (ii) restrict the yield on investment property; (iii) make timely and adequate payments to the federal government; (iv) maintain books and records and make calculations and reports; and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The City Manager, the Chief Financial Officer, and other appropriate city officers are hereby authorized and directed to take any and all such actions, make calculations and rebate payments, and make or give such reports and certifications, as may be appropriate to assure such exclusion of that interest.

SECTION 12. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 13. All orders and Ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order or Ordinance or any part thereof.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 24th day of November, 2014.

_____
MAYOR

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY___, 2014

This Preliminary Official Statement and the information contained herein are subject to change without notice and to completion or amendment in a Final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under other securities laws of any such jurisdiction.

NEW ISSUES – BOOK-ENTRY ONLY FORM **RATINGS: See "Ratings" herein**

In the opinion of Greenberg Traurig, LLP, Special Counsel, assuming compliance with certain covenants, the portion of installment payments made by the City pursuant to the First Purchase Agreement (as defined herein)and denominated as and comprising interest pursuant to the First Purchase Agreement and received by the Owners of the Tax-Exempt Obligations (as defined herein) (the "Tax-Exempt Interest Portion") will be excludible from gross income for federal income tax purposes, will not be an item of tax preference for purposes of the federal alternative minimum tax for individuals and corporations (but will be taken into account in determining adjusted current earnings for purposes of computing such income tax imposed on certain corporations) and will be exempt from income taxation under the laws of the State of Arizona as long as the Tax-Exempt Interest Portion is excludible from gross income for federal income tax purposes. See "TAX MATTERS—Tax Exempt Obligations - General" herein for a description of certain federal tax consequences of ownership of the Tax-Exempt Obligations. See also "TAX MATTERS – Tax-Exempt Obligations-Original Issue Discount and Bond Premium" herein. Special Counsel expresses no opinion with respect to the excludability of the portion of installment payments made by the City pursuant to the First Purchase Agreement and denominated as and comprising interest pursuant to the First Purchase Agreement and received by the Owners of the Taxable Obligations (as defined herein) from gross income for federal or State of Arizona income tax purposes. See "TAX MATTERS—Taxable Obligations- General" herein.

CITY OF GLENDALE, ARIZONA

$9,675,000*
Excise Tax Revenue Refunding Obligations
Series 2015A

$102,175,000*
Excise Tax Revenue Refunding Obligations
Taxable Series 2015B

Dated: Date of Initial Delivery **Due: July 1, as shown on the inside cover**

The Excise Tax Revenue Refunding Obligations, Series 2015A (the "2015A Obligations" or the "Tax-Exempt Obligations") and the Excise Tax Revenue Refunding Obligations, Taxable Series 2015B (the "Taxable 2015B Obligations" or the "Taxable Obligations" and, together with the 2015A Obligations, the "2015 Obligations") will be executed and delivered to provide funds (i) to refund the Bonds Being Refunded (as defined herein) issued on behalf of the City of Glendale, Arizona (the "City") and (ii) pay costs relating to the execution and delivery of the 2015 Obligations. See, "PLAN OF REFUNDING" herein.

The 2015 Obligations will be dated as of the date of their initial delivery thereof, will mature on July 1 of the years and in the amounts shown on the inside cover hereof and will represent interest from their dated date, at the rates per annum shown on the inside cover hereof. Interest on the 2015 Obligations will be payable on January 1 and July 1 of each year (each, an "Interest Payment Date"), commencing on July 1, 2015*. The 2015 Obligations will be issued in the denomination of $5,000 each and any integral multiple thereof.

The 2015 Obligations will be issuable only in fully registered form and, when issued, will be available to purchasers in the denominations described above, only through the book-entry system maintained by The Depository Trust Company, New York, New York ("DTC"). The 2015 Obligations will be registered initially in the name of Cede & Co., as nominee for DTC. While the 2015 Obligations are in the book-entry system, no physical delivery of such obligations will be made to ultimate purchasers thereof and all payments of principal, premium, if any, and interest, related to such obligations will be made directly by the Trustee to DTC which, in turn, is obligated to remit such payments to its participants for subsequent distribution to beneficial owners of such obligations, as described herein.

The 2015 Obligations will be undivided, proportionate interests in the installment payments to be made by the City pursuant to a First Purchase Agreement, to be dated as of January 1, 2015 (the "Purchase Agreement") between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (together with and successors in that capacity, the "Trustee"). The 2015 Obligations will be executed and delivered pursuant to a First Trust Agreement, to be dated as of January 1, 2015 between the City and the Trustee (the "Trust Agreement"). The City's obligation under the Purchase Agreement is a special obligation of the City and is payable from and is secured by a pledge of the City's Unrestricted Excise Taxes, as described herein. The pledge for the 2015 Obligations is on a parity with the outstanding $_____* aggregate principal amount of the City's Senior Excise Tax Obligations (as defined herein) to be outstanding following delivery of the 2015 Obligations and bonds or other obligations issued on a parity therewith. Such lien is senior and prior to the lien on Unrestricted Excise Taxes pledged to the payment of $_____* of Subordinate Excise Tax Obligations (as defined herein) to be outstanding following delivery of the 2015 Obligations and the pledge of certain Unrestricted Excise Taxes to the Arizona Sports and Tourism Authority and bonds or other obligations issued on a parity therewith, which lien is junior and subordinate to the lien on Unrestricted Excise Taxes pledged to the payment of the Senior Excise Tax Obligations, including the 2015 Obligations. See "SECURITY AND SOURCES OF PAYMENT OF THE 2015 OBLIGATIONS" herein. THE OBLIGATIONS WILL BE SPECIAL, LIMITED REVENUE OBLIGATIONS OF THE CITY AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF, AND THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL NOT BE PLEDGED FOR THE PAYMENT OF THE OBLIGATIONS.

The 2015 Obligations are subject to redemption prior to their maturity dates as described herein.

SEE MATURITY SCHEDULE AND OTHER INFORMATION ON INSIDE COVER

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including particularly the matters discussed under the caption "CERTAIN BONDHOLDER'S RISKS," to obtain information essential to the making of an informed investment decision.

The 2015 Obligations are offered, when, as and if certain conditions are satisfied and subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Greenberg Traurig, LLP and for the City by the City

Attorney of the City. Certain legal matters will be passed upon solely for the Underwriters by _____. It is expected that the 2015 Obligations will be available for delivery through the facilities of DTC in New York, New York, on or about February___, 2015.[*]

[UNDERWRITERS TO COME]

January __, 2015.[*]

[*] Preliminary, subject to change.

MATURITY SCHEDULES*

$9,675,000*
Excise Tax Revenue Refunding Obligations, Series 2015A

Payment Date (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP(1) (Base 378294)
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				

$102,175,000*
Excise Tax Revenue Refunding Obligations, Taxable Series 2015B

Payment Date (July 1)	Principal Amount	Interest Rate	Price or Yield	CUSIP(1) (Base 378294)
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriters, the Financial Advisor (as defined herein) or their agents or counsel take responsibility for the accuracy of such numbers.

*Preliminary, subject to change

CITY OF GLENDALE, ARIZONA

CITY COUNCIL

Jerry Weiers, Mayor
Yvonne J. Knaack, Vice Mayor – Barrel District
Ian Hugh – Councilmember, Cactus District
Manny Martinez – Councilmember, Cholla District
Norma Alvarez – Councilmember, Ocotillo District
Gary Sherwood – Councilmember, Sahuaro District
Sammy Chavira – Councilmember, Yucca District

CITY ADMINISTRATIVE OFFICERS

Brenda Fischer, City Manager
Julie Frisoni, Assistant City Manager
Jennifer Campbell, Assistant City Manager
Michael Bailey, City Attorney
Pam Hanna, City Clerk
Tom Duensing, CPA, Finance and Technology Director
Vicki Rios, Assistant Finance Director

SPECIAL SERVICES

BOND COUNSEL

Greenberg Traurig, LLP
2375 East Camelback, Suite 700
Phoenix, Arizona 85016
(602) 445-8457

FINANCIAL ADVISOR

RBC Capital Markets, LLC
2398 East Camelback Road, Suite 700
Phoenix, Arizona 85016
(602) 381-5368

TRUSTEE AND DEPOSITORY TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, 4th Floor
Los Angeles, California 90071

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2015 Obligations by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by the City of Glendale, Arizona (the "City") or the Underwriters. The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by, any of the foregoing. The presentation of such information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representation of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

In accordance with, and as part of, their responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriters have reviewed the information in this Official Statement, but does not guarantee the accuracy or completeness of such information. The delivery of this Official Statement shall not imply that the information herein is correct as of any time subsequent to the date hereof.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The 2015 Obligations are not expected to be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. The registration or qualification of the 2015 Obligations in accordance with the applicable provisions of securities laws of the states in which the 2015 Obligations have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the 2015 Obligations or the accuracy or completeness of this Official Statement.

The City has undertaken to provide continuing disclosure with respect to the 2015 Obligations in accordance with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" and "Appendix E – CONTINUING DISCLOSURE UNDERTAKING" herein.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2015 OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS FORWARD LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE DISCUSSED HEREIN. FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED UNDER "CERTAIN BONDHOLDER'S RISKS" AND ELSEWHERE IN THIS OFFICIAL STATEMENT.

The City posts financial information on its website www.glendaleaz.com/finance/. However, unless specifically incorporated by reference herein, the information presented on the website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2015 Obligations.

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CITY OF GLENDALE, ARIZONA

**$9,675,000*
Excise Tax Revenue Refunding Obligations
Series 2015A**

**$102,175,000*
Excise Tax Revenue Refunding Obligations
Taxable Series 2015B**

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto (this "Official Statement"), is provided to furnish certain information with respect to the execution and delivery of the Excise Tax Revenue Refunding Obligations, Series 2015A (the "2015A Obligations" or the "Tax-Exempt Obligations"), and the Excise Tax Revenue Refunding Obligations, Taxable Series 2015B (the "Taxable 2015B Obligations" or the "Taxable Obligations" and, together with the 2015A Obligations, the "2015 Obligations"). The 2015 Obligations will be undivided, participating, proportionate interests in installment payments (the "Payments") to be made by the City of Glendale, Arizona (the "City"), pursuant to a First Purchase Agreement to be dated as of January 1, 2015 between the City, as buyer, and The Bank of New York Mellon Trust Company, N.A. in its capacity as trustee (together with any successors in such capacity, the "Trustee"), as seller. The City is purchasing the Residual Rights (as defined herein) in certain properties financed with the proceeds of the Bonds Being Refunded (the "Refinanced Projects").

The 2015 Obligations will be executed and delivered pursuant to a First Trust Agreement, dated as of January 1, 2015* (the "Trust Agreement") between the City and the Trustee. Certain of the Trustee's interests under the Purchase Agreement, including, without limitation, the right to receive and collect the Payments and the right to force the City to make the Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations.

Net proceeds of the 2015 Obligations will be used to (i) refund the Bond Being Refunded (as defined herein), and (ii) pay the costs related to the execution and delivery of the 2015 Obligations. See, "PLAN OF REFUNDING" herein.

The City's obligation under the Purchase Agreement is a special obligation of the City and is payable from and is secured by a pledge of the City's Unrestricted Excise Taxes, which are generally all excise, transaction privilege, franchise and income taxes which the City now collects, which it may collect in the future, and which are allocated or apportioned to the City by the State of Arizona (the "State"), or any political subdivision thereof, or by any other governmental unit or agency, other than Restricted Excise Taxes, which are *not* being pledged by the City. "Restricted Excise Taxes" are (i) the City's share of any excise, transaction privilege, franchise and income taxes which under Arizona law must be expended for other purposes, such as the motor vehicle fuel tax, and (ii) excise taxes, transaction privilege, franchise and income taxes of the City collected now or hereafter which have been approved at an election within the City and restricted to certain uses, such as the existing City's Public Safety Tax and Transportation Tax (as such terms are defined under "SECURITY AND SOURCES OF PAYMENT OF THE 2015 OBLIGATIONS – Sources for Payments - Categories of Excise Taxes - *City Transaction Privilege (Sales) Taxes*").

The pledge for the 2015 Obligations is on a parity with the outstanding $_____* aggregate principal amount of the Senior Excise Tax Obligations (as defined below) to be outstanding following delivery of the 2015 Obligations and bonds or other obligations issued on a parity therewith, which lien is senior and prior to the lien on Unrestricted Excise Taxes pledged to the payment of the Subordinate Excise Tax Obligations (defined below) to be outstanding in the aggregate principal amount of $_____* following delivery of the 2015 Obligations and the pledge of certain Unrestricted Excise Taxes to the Arizona Sports and Tourism Authority and bonds or other obligations issued on a parity therewith. See "SECURITY AND SOURCES OF PAYMENT OF THE 2015 OBLIGATIONS" herein.

*Preliminary, subject to change

THE 2015 OBLIGATIONS AND THE OBLIGATION OF THE CITY TO MAKE PAYMENTS EACH CONSTITUTE A LIMITED OBLIGATION OF THE CITY, AND NEITHER CONSTITUTES A GENERAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE.

THE CITY'S OBLIGATION TO MAKE PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION OR BUDGETING BY THE CITY NOR IS SUCH OBLIGATION SUBJECT TO ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON EXPENDITURES.

The Refinanced Property does not secure the City's obligation to make Payments under the Purchase Agreement. Neither the Trustee nor the registered Owners of any 2015 Obligation will have any right to exclude the City from the Refinanced Property as a remedy upon the occurrence of an event of default under the Purchase Agreement, nor to have the Acquired Property sold. Neither the Trustee nor the registered Owners of the 2015 Obligations will have any interest in revenues derived from the Refinanced Property, except to the extent that they constitute Unrestricted Excise Taxes, or any property interest in the Refinanced Property.

Unless and until discontinued, the 2015 Obligations will be held in book-entry form by The Depository Trust Company, New York, New York ("DTC"), a registered securities depository, and beneficial interests therein may only be purchased and sold, and payments of principal of, premium, if any, and interest on the 2015 Obligations will be made only to beneficial owners, through participants in the DTC system. Beneficial interests in the 2015 Obligations will be made in the denominations described on the cover page hereof. See Appendix F - "BOOK-ENTRY-ONLY SYSTEM" herein.

Certain capitalized terms used herein are defined under Appendix C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT - Definitions of Certain Terms."

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes ("A.R.S.") or uncodified, or of the Arizona Constitution, are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement, "Debt Service" means principal, premium, if any, and interest related to the 2015 Obligations; and "State" or "Arizona" means the State of Arizona.

This Official Statement contains descriptions of the 2015 Obligations, the Purchase Agreement and the Trust Agreement. The descriptions of the 2015 Obligations, the Purchase Agreement and the Trust Agreement and other documents described in this Official Statement do not purport to be definitive or comprehensive, all references to those documents are qualified in their entirety by reference to the form of those documents, and copies of drafts thereof are available from the City prior to the delivery of the 2015 Obligations.

[Remainder of this page intentionally left blank]

The following table sets forth the Senior Excise Tax Obligations and Subordinate Excise Tax Obligations to be outstanding following issuance of the 2015 Obligations.

TABLE 1
Excise Tax Obligations to be Outstanding
City of Glendale, Arizona
[To be updated by RBC]

Issue	Year Issued	Original Amount	Amount Outstanding
Senior Lien Excise Tax Obligations			
Senior Lien Bonds (Taxable Series 2003B)	2003	$105,260,000	$94,620,000
Senior Lien Bonds (Series 2006A)	2006	33,250,000	24,145,000
Senior Lien Bonds (Series 2008A)	2008	32,315,000	32,220,000
Senior Lien Bonds (Series 2008B)	2008	52,780,000	48,835,000
Senior Lien Bonds (Taxable Series 2008C)	2008	9,140,000	1,000,000
Senior Lien Bonds (Series 2012A)	2012	8,665,000	8,665,000
Senior Lien Refunding Bonds (Series 2012B)	2012	39,620,000	39,620,000
Plus 2015 Obligations			
Less Senior Lien Bonds Being Refunded[(1)]			
Total Senior Lien Obligations to be Outstanding			
Subordinate Lien Excise Tax Bonds [(2)]			
Subordinate Lien Refunding Bonds (Series 2002B)	2002	5,055,000	5,055,000
Subordinate Lien Refunding Bonds (Series 2003D)	2003	7,250,000	7,250,000
Subordinate Lien Refunding Bonds (Series 2012C)	2012	183,405,000	183,405,000
Subordinate Lien Refunding Bonds (Taxable Series 2012D)	2012	16,850,000	14,770,000
Less Subordinate Lien Bonds Being Refunded			
Total Subordinate Lien Obligations to be Outstanding			
Grand Total			

(1) See "PLAN OF REFUNDING" herein.

(2) Does not include City payment obligations to the Arizona Sports and Tourism Authority in an amount equal to, but not exceeding, the Unrestricted Excise Taxes derived by the City from transactions associated with the hereinafter-described Multipurpose Facility. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS – General – *Subordinate Excise Tax Obligations*" herein.

SOURCE: City of Glendale Department of Finance.

THE 2015 OBLIGATIONS

General Provisions

The 2015 Obligations will be dated as of the date of their initial delivery, and will represent interest payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2015*, until maturity, at the rates set forth on the inside cover page of this Official Statement. Interest will be computed on the basis of a 360-day year of twelve 30-day months. The 2015 Obligations will be issued in the denominations of $5,000 and any integral multiple in excess thereof.

As described in Appendix F - "BOOK-ENTRY-ONLY SYSTEM," the 2015 Obligations, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the 2015 Obligations, all payments on the 2015 Obligations and notices regarding the 2015 Obligations will be made directly to DTC.

Subject to the provisions summarized in Appendix F - "BOOK-ENTRY-ONLY SYSTEM," the principal of and premium, if any, on each 2015 Obligation will be payable at the designated office of the Trustee. Interest represented by 2015 Obligation will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the fifteenth day of the month immediately preceding such Interest Payment Date or, if such date is not a business day, on the next succeeding business day (the "Regular Record Date") or the Trustee may agree with a registered Owner of $1,000,000 or more in aggregate principal amount of the 2015 Obligations for another form of payment.

If the Trustee fails to make payments or provision for payment of interest on the 2015 Obligations when due on any Interest Payment Date, that interest shall cease to be payable to the registered Holder of such 2015 Obligations as of the applicable Regular Record Date, and when moneys become available for payment of that interest, the Trustee shall establish a Special Record Date for the payment of that interest, which shall be at least ten days prior to the proposed interest payment date, and notice of such Special Record Date shall be mailed to each Holder at least ten days prior to the Special Record Date.

Each 2015 Obligation will accrue interest from the Interest Payment Date next preceding the date of its execution, unless: (1) executed on an Interest Payment Date or after a Regular Record Date but before the following Interest Payment Date, in which case interest accrues from such Interest Payment Date, (2) executed on the date of initial delivery or prior to July 1, 2015*, in which case interest accrues from its dated date, or (3) payment of interest is in default, in which case interest is payable from the last date to which interest has been paid or, if none, its dated date.

Prepayment Provisions*

Optional Prepayment. The 2015A Obligations maturing on and prior to July 1, 20__ will not be subject to prepayment prior to their stated maturity dates. The 2015A Obligations maturing on and after July 1, 20__ will be subject to optional prepayment prior to maturity, at the direction of the City, in whole or in part in denominations of $5,000 or integral multiples thereof from maturities selected by the City, on January 1, 20__ and on any date thereafter, at a prepayment price equal to the principal amount of 2015A Obligations being prepaid plus accrued interest to the date fixed for prepayment, without premium.

Make-Whole Optional Prepayment of Taxable 2015B Obligations. All of the Taxable 2015B Obligations are subject to optional prepayment prior to maturity, at the direction of the City, in whole or in part, from maturities selected by the City, on any date at a prepayment price equal to the greater of:

(1) 100% of the principal amount of the Taxable 2015B Obligations to be prepaid; or

*Preliminary, subject to change

(2) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of such Taxable 2015B Obligations to be prepaid, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable 2015B Obligations are to be prepaid, discounted to the date on which such Taxable 2015B Obligations are to be prepaid on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (hereinafter defined) plus ___ basis points; plus, in either case, accrued interest on such Taxable 2015B Obligations to be prepaid to the prepayment date.

"Treasury Rate" means, as of the prepayment date, the yield to maturity as of such prepayment date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the prepayment date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the prepayment date to maturity; provided, however, that if the period from the prepayment date to maturity is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Calculation of Prepayment Price. At the request of the City or the Trustee, the prepayment price of the Taxable 2015B Obligations to be prepaid at the option of the City will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense to calculate such prepayment price. The City and the Trustee may conclusively rely on the determination of such prepayment price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance and such prepayment price shall be conclusive and binding on the owners of the Taxable 2015B Obligations.

Mandatory Sinking Fund Prepayment. The 2015A Obligations maturing on July 1, 20__* will be subject to mandatory sinking fund prepayment on July 1 of each of the years, by lot as described below, at the principal amounts thereof and accrued interest to the date fixed for prepayment, without premium, as follows:

2015A Obligations Maturing on July 1, 20__*

Year	Principal Amount

The Taxable 2015B Obligations maturing on July 1, 20__* will be subject to mandatory sinking fund prepayment on July 1 of each of the years, by lot as described below, at the principal amounts thereof and accrued interest to the date fixed for prepayment, without premium, as follows:

Taxable 2015B Obligations Maturing on July 1, 20__*

Year	Principal Amount

*Preliminary, subject to change

Notice and Procedures for Prepayment

For purposes of any prepayment of less than all 2015 Obligations of a single maturity, the particular 2015 Obligations to be prepaid will be selected randomly by the Trustee by such method of lottery as the Trustee deems fair and appropriate.

The Trustee will cause notice of such prepayment to be given to the Owner of any 2015 Obligation designated for prepayment (so long as the book-entry-only system is in effect, only Cede & Co.), at the address last appearing upon the Register by mailing a copy of the prepayment notice by first-class mail, express delivery service or other means which may evidence receipt, not less than thirty (30) days prior to the prepayment date. The failure to receive the notice or any defect in the notice will not affect the validity of the prepayment of any 2015 Obligation.

Notice having been properly given, the 2015 Obligations, as applicable, shall become due and payable on the prepayment date so designated and, upon presentation and surrender thereof at the place specified in the prepayment notice, the prepayment price of such 2015 Obligations shall be paid. If on the prepayment date sufficient moneys are held by the Trustee to pay the prepayment price, then and after the prepayment date interest on the 2015 Obligations, as applicable, shall cease to accrue.

A notice of optional prepayment may contain a statement that the prepayment is conditional upon receipt by the Trustee of funds on or before the date fixed for prepayment sufficient to pay the prepayment price of the 2015 Obligations so called for prepayment, and that if such funds are not available, such prepayment shall be cancelled by written notice to owners of the 2015 Obligations called for prepayment in the same manner as the original prepayment notice was mailed.

Defeasance

If the Trustee (i) pays all of the outstanding 2015 Obligations, when due, or (ii) at or prior to maturity of all 2015 Obligations, has received in trust moneys or Defeasance Obligations which are sufficient to pay the principal of, premium, if any, and interest on such 2015 Obligations, the lien of the Trust Agreement shall terminate with respect to such 2015 Obligations, except for the obligation of the Trustee to make Payments represented by such 2015 Obligations. See Appendix C - "SUMMARY OF THE CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT – Trust Agreement - Release of Trust Agreement and Defeasance".

PLAN OF REFUNDING*

The proceeds received from the sale of the 2015 Obligations, net of amounts used to pay costs of issuance, will be deposited into an irrevocable trust account (the "Depository Trust") held by The Bank of New York Mellon Trust Company, N.A., as depository trustee (in such capacity, the "Depository Trustee") pursuant to a Depository Trust Agreement (the "Depository Trust Agreement") by and between the City and the Depository Trustee. Amounts held in the Depository Trust will be invested in obligations issued by or unconditionally guaranteed by the United States of America ("Government Obligations"), maturing in amounts and bearing interest at rates which are calculated to be sufficient to pay the interest on and the principal or redemption price of the outstanding bonds of the Corporation identified below (the "Bonds Being Refunded").

* Preliminary, subject to change.

SCHEDULE OF MATURITIES AND PRINCIPAL AMOUNTS OF BONDS BEING REFUNDED BY THE 2015 OBLIGATIONS*

Issue	Original Principal Amount	Maturity Date(s) to be Refunded	Principal Amount Being Refunded	Redemption Date	Redemption Price
Series 2002					
Series 2003B					
Series 2006A					
Series 2008A					
Series 2012D					

Upon delivery of the 2015 Obligations and the deposit of funds into the Depository Trust, the Bonds Being Refunded will no longer be considered outstanding under their respective indentures and will no longer be secured by Unrestricted Excise Taxes.

The Bonds Being Refunded are being refunded in order to achieve debt service savings and to lower the City's annual payments required under the Senior Agreements.

MATHEMATICAL COMPUTATIONS

Concurrently with the delivery of and payment for the 2015 Obligations, _____ (the "Verification Agent"), a firm of independent certified public accountants, will deliver to the City and the Trustee its verification report indicating that it has examined, [in accordance with standards established by the American Institute of Certified Public Accountants,] the mathematical accuracy of computations related to the 2015 Obligations and the Bonds Being Refunded. Such computations were prepared using certain information provided by _____, on behalf of the Underwriters, relating to the sufficiency of the anticipated receipts from the Government Obligations, [together with funds from certain trust accounts held for the Bonds Being Refunded and other City funds,] to pay, when redeemed or prepaid, the principal, interest [and applicable premiums] on the Bonds Being Refunded.

The report of the Verification Agent will state that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in schedules provided to it by _____ and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

* Preliminary, subject to change.

SOURCES AND USES OF FUNDS

Monies received from the issuance and sale of the 2015 Obligations will be applied as follows:

	2015A Obligations	Taxable 2015B Obligations	Total
Sources of Funds:			
Principal Amount of 2015 Obligations			
[City Cash Contribution]			
Net Original Issue Premium/(Discount)			
Total Sources			
Uses of Funds:			
Deposit to Depository Trust			
Costs of Issuance[1]			
Total Uses			

[1] Including underwriting, legal and advisory fees, printing costs, rating fees and other miscellaneous expenses relating to the issuance of the 2015 Obligations.

SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS

General

The Obligations will be special, limited revenue obligations, taking the form of undivided, participating, proportionate interests in the Payments. The obligation of the City to make the Payments will be limited to payment from Unrestricted Excise Taxes and will in no circumstance constitute a general obligation or a pledge of the full faith and credit of the City or the State or any political subdivisions thereof, or require the levy of, or be payable from the proceeds of any *ad valorem* property taxes. As set forth in the Purchase Agreement, the City may choose to, but is not required to, make Payments from other legally available funds of the City.

Senior Excise Tax Obligations. Such pledge of Unrestricted Excise Taxes for the 2015 Obligations is on a parity with the senior lien pledge thereof to secure the following obligations (collectively, the "Senior Excise Tax Obligations"): [the Corporation's Excise Tax Revenue Refunding Bonds Series 2003A (the "2003A Bonds") and Taxable Series 2003B (together with the 2003A Bonds, the "2003 Bonds"), Excise Tax Revenue Bonds, Series 2004A (the "2004 Bonds"), Excise Tax Revenue Bonds Series 2006A (the "2006 Bonds"), Excise Tax Revenue Bonds, Series 2008A (the "2008A Bonds"), Excise Tax Revenue Bonds, Series 2008B (the "2008B Bonds"), Excise Tax Revenue Bonds, Series 2008C (the "2008C Bonds") (together with the 2008A Bonds and the 2008B Bonds, the "2008 Bonds"), Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012A (the "2012A Bonds"), Senior Lien Excise Tax Revenue Refunding Bonds, Series 2012B (the "2012B Bonds"), and bonds or other obligations issued or incurred in the future on a parity therewith, as provided in the Purchase Agreement, which will be outstanding in the aggregate principal amount of $_____*, following the delivery of the 2015 Obligations. See, "Table 1 – Excise Tax Obligations to be Outstanding" herein. The lien on Unrestricted Excise Taxes is senior and prior to the lien on Unrestricted Excise Taxes pledged to the payment of the Subordinate Excise Tax Obligations.

Subordinate Excise Tax Obligations. Such pledge of Unrestricted Excise Taxes for the 2015 Obligations is senior to the subordinate lien pledge to secure the following obligations (collectively, the "Subordinate Excise Tax Obligations"): [the Corporation's Subordinate Lien Excise Tax Revenue Bonds, Series 2002B (the "2002B Subordinate Excise Tax Bonds"), 2003D (the "2003D Subordinate Excise Tax Bonds"), 2012C Refunding Bonds (the "2012C Subordinate Excise Tax Bonds") and Taxable Series 2012D Refunding Bonds (the "2012D Subordinate Excise Tax Bonds"), and the City's pledge of certain Unrestricted Excise Taxes to the Arizona Sports and Tourism Authority

*Preliminary, subject to change

("AzSTA") as described below, and bonds or other obligations issued or incurred in the future on a parity therewith, as provided in the respective agreements authorizing or relating to the issuance of Subordinate Excise Tax Obligations (collectively, the "Subordinate Agreements"), which will be outstanding in the aggregate principal amount of $_____, following the delivery of the 2015 Obligations. See, "Table 1 – Excise Tax Obligations to be Outstanding" herein. The lien on Unrestricted Excise Taxes for the Subordinate Lien Obligations is subordinate and junior to the lien on Unrestricted Excise Taxes pledged to the payment of the Senior Excise Tax Obligations, including the 2015 Obligations. Pursuant to a Memorandum of Agreement, dated November 1, 2004, among the City, AzSTA and the Arizona Cardinals NFL Football Team and in consideration for AzSTA financing certain infrastructure for a multipurpose facility (the "Multipurpose Facility") located within the City and owned by AzSTA, the City agreed to pay to AzSTA an amount equal to, but not exceeding, the Unrestricted Excise Taxes derived by the City from transactions associated with such Multipurpose Facility. The City's agreement to make such payments is secured by a subordinate lien pledge of Unrestricted Excise Taxes on a parity with the lien of the other Subordinate Excise Tax Obligations. The City's annual payments for fiscal years 2010, 2011, 2012, 2013 and 2014 were $1,140,460, 927,265, 1,600,173, 2,535,204 and $2,264,397, respectively. Amounts paid for fiscal year 2011 were lower primarily due to the National Football League strike. The City expects the payment amounts starting in fiscal years 2013 will increase in part due to the 0.7% increase in the City's sale tax which became effective on June 12, 2012. See "Sources for Lease Payments – City's Transaction Privilege (Sales) Taxes."

The 2015 Obligations and the obligation of the City to make installment payments under the Purchase Agreement are not a general obligation of the City, but are a limited obligation of the City and are payable from and are secured by a first or senior lien pledge of the City's Unrestricted Excise Taxes. See "Sources for Installment Payments" below.

Payments

Under the Purchase Agreement and other respective agreements authorizing or relating to the issuance of Senior Excise Tax Obligations (collectively, the "Senior Agreements"), the City will be required to make monthly payments sufficient to pay 1/6 of the amount representing interest due on next interest payment date and 1/12 of the amount representing principal due on the next principal payment date on the Senior Excise Tax Obligations and upon satisfaction of the deposit requirements under the Senior Agreements, then 1/6 of the amount representing interest due on next interest payment date and 1/12 of the amount representing principal due on the next principal payment date, premium, if any, on Subordinate Excise Tax Obligations from Unrestricted Excise Taxes. In addition, the City may hereafter issue or incur additional excise tax obligations (the "Additional Senior Excise Tax Obligations"), either as additional bonds issued under the Senior Agreements or otherwise, which are payable from and secured by a pledge of Unrestricted Excise Taxes on a parity with the pledge of such taxes made for the outstanding Senior Excise Tax Obligations, as provided in the Senior Agreements as described below under "Senior Agreement Covenants Pertaining to the Unrestricted Excise Taxes – *Senior Excise Tax Obligation Covenant Regarding Maintenance of Unrestricted Excise Taxes*" and "City's Right to Further Encumber Unrestricted Excise Taxes." The 2015 Obligations are senior to the pledge of the City's Unrestricted Excise Taxes under the 2012C/D Lease Supplement for the Subordinate 2012 Bonds, the 2002 Subordinate Lease Agreement and the 2003 Subordinate Lease Agreement (together, the "Subordinate Agreements") which secure the 2002B Subordinate Excise Tax Bonds and 2003D Subordinate Excise Tax Bonds, with a total current outstanding balance of $12,305,000, and to the Arizona Sports and Tourism Authority on a basis junior and subordinate to the pledge of Unrestricted Excise Taxes for Senior Excise Tax Obligations, and the City may hereafter issue or incur additional obligations (the "Additional Subordinate Excise Tax Obligations"), which are payable from and secured by a pledge of Unrestricted Excise Taxes on a parity with the pledge of such taxes made for the outstanding Subordinate Excise Tax Obligations and on a basis which is junior and subordinate to the lien on such taxes for Senior Excise Tax Obligations, as described below under Purchase Agreement Covenants Pertaining to the Unrestricted Excise Taxes – *Subordinate Excise Tax Obligation Covenant Regarding Maintenance of Unrestricted Excise Taxes*" and "City's Right to Further Encumber Unrestricted Excise Taxes."

The Payments are secured by a first lien claim and pledge by the City of all of the City's Unrestricted Excise Taxes, which comprise all excise, transaction privilege, franchise and income tax which it now collects, which it may collect in the future, or which are allocated or apportioned to the City by the State or any political subdivision thereof, or by any other governmental unit or agency, other than Restricted Excise Taxes, which are not being pledged by the City.

Debt Service Reserve Fund for Senior Excise Tax Obligations Only; No Current Funding

The Trust Agreement establishes a separate Reserve Fund for the payment of the 2015 Obligations. The Reserve Fund is not currently funded and will not be funded, nor will a Reserve Fund Surety Bond be in place, on the date of issuance of the 2015 Obligations. The Trust Agreement and the Purchase Agreement provide that the City will fund the Reserve Fund, or in the alternative, deliver a Reserve Fund Surety Bond to the Trustee, if the Excise Taxes collected by the City during the preceding fiscal year are less than three times the Maximum Annual Debt Service on the Obligations. The City will determine, and provide the Trustee with a written statement of the amount of such coverage ratio prior to the January 1 following the end of each fiscal year and if the aforementioned coverage ratio of three times is not met, shall fund from Unrestricted Excise Taxes in twelve equal monthly installments on the 15th day of each month beginning January 15 until the Reserve Fund equals the Reserve Requirement (as hereinafter defined), or in the alternative, the City shall on such January 15, deliver to the Trustee a Reserve Fund Surety Bond with a value equal to the Reserve Requirement. The Reserve Requirement for 2015 Obligations shall mean the least of (i) 10% of the original principal amount of the 2015 Obligations; (ii) maximum annual debt service on the 2015 Obligations; and (iii) 125% of the average annual debt service on the 2015 Obligations. The Senior Agreements require funding of a reserve fund for the Senior Bonds under the same terms and conditions as the trust agreement, with the reserve requirement determined solely with respect to Senior Bonds secured by that reserve fund Funding of a Reserve Fund for the Obligations or any other Senior Excise Tax Obligations will be made prior to funding of Bond Service Charges of Subordinate Excise Tax Obligations. The Obligations will be special, limited revenue obligations, taking the form of undivided, participating, proportionate interests in the Payments. The provisions set forth in the Trust Agreement related to the Reserve Fund for the 2015 Obligations will be effective only to the extent that a comparable requirement exists for any other outstanding Parity Obligations. Consequently, the City would not be required to fund a Reserve Fund once the currently outstanding Senior Bonds are no longer outstanding under the Senior Agreements. See Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT – The Trust Agreement – Flow of Funds."

Senior Agreement Covenants Pertaining to the Unrestricted Excise Taxes

Senior Excise Tax Obligation Covenant Regarding Maintenance of Unrestricted Excise Taxes. The City covenants in the Purchase Agreement that the Unrestricted Excise Taxes it imposes will be retained and maintained so that the amount of all Unrestricted Excise Taxes received within and for the next preceding fiscal year, will be equal to at least three times the rental or other payment requirements payable on Senior Excise Tax Obligations in the current fiscal year. The City further covenants that if such receipts for any such preceding fiscal year shall not equal three times the rental or other payment requirements of the current fiscal year, or if at any time it appears that the current receipts will not be sufficient to meet the rental or other payment requirements for Senior Excise Tax Obligations in the current fiscal year, it will, in each case to the extent permitted by law, either impose new Unrestricted Excise Taxes or will increase the rate of such taxes currently imposed in order that (i) the current receipts will be sufficient to meet all current requirements under the Purchase Agreement for payments on the Senior Excise Tax Obligations, and (ii) the current year's receipts will be reasonably calculated to attain the level required for the succeeding fiscal year's requirements.

City's Right to Further Encumber Unrestricted Excise Taxes

In the Purchase Agreement and other Senior Agreements, the City retains the right to issue or incur additional obligations payable from its Unrestricted Excise Taxes, whether as Additional Senior Excise Tax Obligations, Additional Subordinate Excise Tax Obligations or obligations subordinate to the Subordinate Excise Tax Obligations ("Third Lien Obligations"), as described below. Such additional obligations may be incurred in connection with the issuance of Additional Senior Excise Tax Obligations or Additional Subordinate Excise Tax Obligation, as applicable, upon compliance with provisions of the Senior Agreements and the Subordinate Agreements for Additional Senior Excise Tax Obligations or Additional Subordinate Excise Tax Obligations, as applicable, and certain other conditions are met. However, under the Purchase Agreement and the other Senior Agreements, the City is permitted to issue or incur such additional excise tax obligations, whether as Additional Senior Excise Tax Obligations, Subordinate Excise Tax Obligations or Third Lien Obligations, under other documentation and without regard to the requirements of the provisions of the Senior Agreements and the Subordinate Agreements for the issuance of any such bonds, upon compliance with the requirements contained in the Purchase Agreement. See "Appendix C – "SUMMARY OF

CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT – The Purchase Agreement".

Conditions for the Issuance of Additional Senior Excise Tax Obligations. Under the Purchase Agreement and the other Senior Agreements, the City covenants that it will not further encumber Unrestricted Excise Taxes pledged to the payment of Senior Excise Tax Obligations, including the Senior Bonds and the 2015 Obligations unless the Unrestricted Excise Taxes collected in the next preceding fiscal year amounted to at least three times the highest combined interest and principal requirements for any succeeding twelve (12) months' period for all Senior Excise Tax Obligations and any parity obligations so proposed to be secured by a pledge of such Unrestricted Excise Taxes.

[Subordinate Excise Tax Obligation Conditions for the Issuance of Additional Excise Tax Obligations. In addition, in the Subordinate Agreements, the City covenants and agrees that, so long as any of Subordinate Excise Tax Obligations remain Outstanding, it will not encumber the Unrestricted Excise Taxes on a basis equal to or superior to the lien granted in the Subordinate Agreements unless the Unrestricted Excise Taxes collected in the next preceding fiscal year amounted to at least two times the Maximum Annual Debt Service for any succeeding twelve (12) months' period for all Senior Excise Tax Obligations and Subordinate Excise Tax Obligations then outstanding and any parity obligations so proposed to be secured by a pledge of such Unrestricted Excise Taxes on a parity with the Senior Excise Tax Obligations or the Subordinate Excise Tax Obligations, as applicable.

Notwithstanding the foregoing, the City may incur additional Subordinate Excise Tax Obligations for refunding purposes without complying with the preceding sentence if the following conditions are met:

(i) The combined principal and interest requirements for Senior Excise Tax Obligations and Subordinate Excise Tax Obligations in each Fiscal Year are lower as a result of the refunding; and

(ii) [If the 2002B Subordinate Excise Tax Bonds or the 2003D Subordinate Excise Tax Bonds are outstanding, the bond insurer for such bonds has provided its prior written consent to the issuance of such Subordinate Excise Tax Obligations.

The City does not anticipate issuing any Additional Subordinate Lien Excise Tax Obligations in calendar year 2015.] [Discuss further whether to remove or keep in.]

Third Lien Excise Tax Obligations. None of the Senior Agreements or the Subordinate Agreements place any restriction on the City's ability to issue or incur Third Lien Excise Tax Obligations payable from and secured by a pledge of Unrestricted Excise Taxes on a basis subordinate and junior to the pledge of such Unrestricted Excise Taxes securing the Senior Excise Tax Obligations and Subordinate Excise Tax Obligations. The City currently has no plans to issue or incur such Third Lien Excise Tax Obligations, and no such Third Lien Obligations are outstanding. [Discuss further whether to remove or keep in.]

Events of Default; Acceleration of 2015 Obligations

The Trust Agreement and the other Senior Agreements, as well as the Subordinate Agreements provide that upon the occurrence and continuance of an Event of Default, as defined therein, the Trustee, may, and upon the written request of the owners of at least twenty five percent (25%) in principal amount of each series of the Senior Excise Tax Obligations or Subordinate Excise Tax Obligations outstanding, as applicable, will, exercise certain remedies. See Appendix C - "SUMMARY OF THE CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PUCHASE AGREEMENT – Purchase Agreement – Default; Remedies upon Default - *Events of Default and Remedies- Senior Excise Tax Obligations*". These remedies include the acceleration of principal amounts of the Senior Excise Tax Obligations or Subordinate Excise Tax Obligations, as applicable, provided; however, the Subordinate Agreements provide that so long as the Senior Excise Tax Obligations have not been accelerated, the Subordinate Excise Tax Obligations will not be accelerated. The provisions set forth in the Purchase Agreement related to acceleration of the 2015 Obligations will be effective only to the extent that a comparable requirement exists for any other outstanding Senior Excise Tax Obligations. Consequently, the 2015 Obligations would not be subject to

acceleration once the currently outstanding Senior Bonds are no longer outstanding under the Senior Agreements and the Subordinate Agreements, respectively.

Sources for Installment Payments

Categories of Excise Taxes

The major categories of Excise Taxes are discussed more fully below.

City's Transaction Privilege (Sales) Taxes

The City's transaction privilege (sales) tax is levied by the City upon persons on account of their business activities within the City. The amount of tax due is calculated by applying the tax rate against the gross proceeds of sales of gross income derived from the business activities shown in the table below.

TABLE 2(a)
Transaction Privilege Taxes By Category
As of August 1, 2012

Category	Tax Rate
Advertising (local)	2.9%
Amusements	2.9
Construction Contracting	2.9
Hotel/Motel – 30 days or less	7.9
Hotel/Motel – More than 30 days	2.9
Jet Fuel	$0.028 /gallon
Job Printing	2.9
Publishing	2.9
Rental, Leasing, Licensing of Real Property – Long-Term residential	2.2
Rental, Leasing, Licensing of Real Property – commercial	2.9
Rental, Leasing, Licensing of Tangible Personal Property	2.9
Restaurant and Bars	3.9
Retail Sales	2.9
Retail Sales – single item costing over $5,000	2.2
Retail Sales – Food for Home Consumption	2.5
Transportation and Towing	2.9
Telecommunications	6.1
Cable TV	0.0
Utilities	2.9
Use Tax	2.9
Use Tax – single item costing over $5,000	2.2

The City's transaction privilege tax rate is presently 2.9% across most categories. Of the total tax rate, 0.5% (one-half of one percent) approved on April 14, 1994 and September 11, 2007 is dedicated to public safety (the "Public Safety Tax") and 0.5% (one-half of one percent) approved on November 6, 2001 is dedicated to transportation (the "Transportation Tax"). Revenues from the Public Safety Tax and the Transportation Tax do *not* constitute part of the Unrestricted Excise Taxes which the City has pledged in the Lease Agreement for payment of the 2015 Bonds. The City Council approved a 0.7% increase in the City's excise tax on June 12, 2012. This increase was implemented on August 1, 2012 (the "2012 0.7% Increase").

The City's Charter presently provides that voter approval would be required for the City Council to impose new City transaction privilege taxes, but no such voter approval would be required for the City Council to increase the rates on City transaction privilege taxes then in effect.

An approximate breakdown of the City's transaction privilege tax collections, including those related to the Public Safety Tax and the Transportation Tax, which are not Unrestricted Excise Taxes, by major categories during fiscal years 2009 – 2014 are as follows:

TABLE 2(b)

Category	Fiscal Year 2008/09	Fiscal Year 2009/10	Fiscal Year 2010/11	Fiscal Year 2011/12	Fiscal Year 2012/13	Fiscal Year 2013/14 (unaudited)
Utilities	7%	7%	7%	7%	7%	7%
Telecommunications	7%	6%	6%	5%	5%	4%
Restaurants and Bars	11%	11%	11%	12%	11%	12%
Amusements	4%	4%	2%	3%	2%	1%
Rental Real Property	12%	13%	12%	12%	11%	11%
Contracting	7%	5%	7%	5%	4%	6%
Retail Sales	49%	50%	49%	52%	55%	55%
Other	4%	4%	6%	4%	5%	4%

State Shared Sales Taxes

Pursuant to statutory formula, cities and towns in Arizona receive a portion of the State-levied transaction privilege (sales) tax. The State transaction privilege (sales) tax is levied against the same categories of business activity as the City's transaction privilege (sales) tax with the exception of food sales, which the State exempts from the tax. As the table below indicates, the rate of taxation varies among the different types of business activities taxed, with the most common rate being 5.0% of the amount or volume of business transacted.

The aggregate amount distributed to all Arizona cities and towns is equal to 25% of the "distribution share" of revenues attributable to each category of taxable activity. Each city's or town's allocation of the revenues available to all cities and towns in the State is based on its population relative to the aggregate population of all cities and towns that is used for revenue sharing based on the latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns.

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TABLE 3 [To be updated/continued]
State Sales Tax
Taxable Activities, Tax Rates and Distribution Share

Taxable Activities	Tax Rate	Distribution Base
Mining – Severance	2.5%	80%
Mining, Oil & Gas	3.125	32
Transportation & Towing	6.6	20
Utilities	6.6	20
Communications	6.6	20
Railroads & Aircraft	6.6	20
Publishing	6.6	20
Printing	6.6	20
Private Car/Pipelines	6.6	20
Contracting	6.6	20
Restaurants and Bars	6.6	40
Amusements	6.6	40
Rentals/Personal Property	6.6	40
Retail[(1)]	6.6	40
Hotel/Motel	6.5	50
Membership Camping	6.6	40
Rental Occupancy	3.0	66.67
Use	6.6	0
Jet Fuel (1st 10 million Gallons)	$0.0305/gallon	40
Timbering – Ponderosa Pine	$2.13/1,000 board ft.	80
Timbering – Severance – Other	$1.51/1,000 board ft.	80

(1) Effective July 1, 1980, sales of food were exempted from the tax.

The amount and continued receipt of State-shared sales taxes by the City could be adversely affected by future changes in law by the State Legislature. See "CERTAIN BONDHOLDER'S RISKS - Legislative Ability to Reduce State-Shared Tax Revenues" below.

Sales Tax Increase for Education Funding Purposes. On November 7, 2000, Arizona voters passed Proposition 301, which increased the State's sales tax rate from 5% to 5.6%, effective June 1, 2001. Tax revenues received allocable to the 0.6% tax rate increase have been earmarked for educational purposes and are *not* included in the sales tax revenues shared by the State with the City.

Temporary 1.0% State Sale Tax. On May 18, 2010, Arizona voters passed Proposition 100, which increased the State's sales tax rate by 1.0%, effective June 1, 2010 through May 31, 2013. Tax revenues received allocable to the 1.0% tax rate increase were earmarked for primary and secondary education, health and human services and public safety purposes and were *not* included in the sales tax revenues shared by the State with the City.

State-Shared Income Taxes

Under current State law, cities and towns are preempted by the State from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to typically receive 15.0% of the net revenues of the State personal and corporate income tax collections for the fiscal year which was two years prior to the current fiscal year. Distribution of such funds is made monthly based on the proportion of each city's or town's population to the total population of all incorporated cities and towns in the State as determined by the latest decennial or special census.

The State Legislature has at various times adjusted the distribution percentage. Currently, the percentage of state shared income tax received by cities and towns is 15.0%, but may be adjusted in future years. The amount and continued receipt of State-shared income taxes by the City could be adversely affected by future changes in law by the State Legislature. See "CERTAIN BONDHOLDER'S RISKS - Legislative Ability to Reduce State-Shared Excise Tax Revenues" below.

The distribution of income tax revenue is also based upon the relation of the City's population to the total state population figure used for revenue sharing. Prior to the 2010 Census, the City had been receiving just under 5% of the State income tax and sales tax shared with cities and towns, but with the 2010 Census, the City now receives about 4.5% of these revenues shared with local government.

The most significant component of State-shared revenue is income tax. It is primarily driven by personal income rather than business income as personal income tax receipts comprise about two-thirds of all the State's income tax receipts. Income tax revenue distribution to the cities lags by two years.

Other Excise Tax Revenues

Cities and towns in the State have exclusive control over public rights of way dedicated to the municipality and may grant franchise agreements to and impose franchise taxes on utilities using those rights of way. A franchise may be granted only with voter approval and the term of franchises is limited to 25 years. The City has granted franchises to and imposed franchise taxes on utility and cable television providers.

The City also imposes and collects fees for licenses and permits to engage in certain activities within the City and for the right to utilize certain City property, and imposes and collects fines and forfeitures for violations of State laws or City ordinances relating to traffic, parking, animal control and other offenses.

The following table sets forth a summary of the City's combined receipt of Unrestricted Excise Tax receipts for the last five fiscal years.

TABLE 4
City of Glendale
Unrestricted Excise Tax Receipts[1]

	Fiscal Year					
	2009	**2010**	**2011**	**2012**	**2013[4]**	**2014[5]**
Sales Tax Revenues[2,3]	$57,377,810	$53,807,689	$54,884,920	$56,138,067	$82,678,263	$88,764,000
State-Shared Sales Taxes	19,320,873	17,786,351	18,438,079	17,716,047	18,557,531	19,734,423
State-Shared Income Taxes	36,266,804	31,292,382	23,590,446	19,135,420	23,159,063	25,270,933
Other Excise Tax Revenues	5,311,481	5,129,340	5,231,954	5,314,485	5,381,685	5,668.472
TOTAL	$118,276,969	$108,015,762	$102,145,399	$98,304,019	$129,776,542	$139,437,828
Percent Growth	-7.20%	-8.68%	-5.43%	-3.76%	32.00%	7.4%

1. Figures for fiscal years 2008-09 through 2012-13 are derived from City's financial statements which are prepared on an accrual basis, after deduction of amounts derived from the Public Safety Tax and the Transportation Tax. Figures for fiscal year 2013-14 are derived from the City's financial statements prior to completion of the audit. Compliance with the City's covenants contained in the Lease Agreement relating to maintenance of Unrestricted Excise Taxes and the issuance or incurrence of Additional Senior Excise Tax Obligations or Additional Subordinate Excise Tax Obligations will be determined on a cash basis for receipt of Unrestricted Excise Taxes.
2. Represents Unrestricted Sales Tax Revenues and does not include Public Safety Tax or Transportation Tax.
3. Excludes Unrestricted Sales Tax Revenues generated around the Arizona Cardinals NFL multipurpose facility and remitted to the AzSTA per a 2004 agreement among the City, AzSTA, and the Arizona Cardinals. Also, excludes

the "Bed Tax" which funds the Glendale Convention and Visitors Bureau. See, "SECURITY AND SOURCES OF PAYMENT FOR THE 2015 BONDS – General – *Subordinate Excise Tax Obligations*" and Table 6 herein.

4. Includes the 2012 0.7% Increase in the City's transaction privilege tax.

5. Unaudited

Source: City of Glendale, Arizona Finance Department.

TABLE 5(a)
Senior Obligations Debt Service Requirements*
[RBC to provide]

Fiscal Year Ending June 30[1]	Combined Outstanding Senior Obligations Debt Service[2]	2015 Obligation Debt Service			Total Senior Obligations Debt Service
		Principal	Interest	Total	
2015	$	$		$	$
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					

[1] The fiscal year ending June 30 includes the payment of principal and interest on the following day.

[2] Net of Senior Bonds Being Refunded.

*Preliminary, subject to change

TABLE 5(b)
Subordinate Obligations Debt Service Requirements*
[RBC to provide]

Fiscal Year Ending June 30[1]	Outstanding Senior Obligation Debt Service	Subordinate Obligations Debt Service	Total Obligations Debt Service
2015		$	$
2016			
2017			
2018			
2019			
2020			
2021			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			

[1] The fiscal year ending June 30 includes the payment of principal and interest on the following day.

*Preliminary, subject to change

Based on the City's Unrestricted Excise Tax collections of $_____ for the fiscal year ending June 30, 2014, the following table sets forth the percentage of the City's aggregate lease payment obligations secured by such Unrestricted Excise Tax collections.

TABLE 6
Excise Tax Revenues and Senior and Subordinate Lien Debt Service Requirements

Fiscal Year Ending June 30[1]	Excise Tax Revenues[2]	Total Senior Obligation Debt Service[3]*	Coverage on Senior Lien Obligations*	Total Subordinate Lien Debt Service[4]*	Excise Tax Revenues (Including Sales Tax Derived from Certain Stadium Revenues)[5]	Subordinate Lien Payments to AzSTA[6]	Combined Senior and Subordinate Lien Debt Service (Including Payments to AzSTA)*	Combined Debt Service Coverage[6,7]*
2014								
2015								
2016								
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								

1. The fiscal year ending June 30 includes the payment of principal and interest on the following day.
2. Represents 2014 Unrestricted Excise Tax Revenues; does not include Public Safety Tax or Transportation Tax. Source: City of Glendale, Arizona.
3. Senior Debt Service from Table 5(a) "SENIOR OBLIGATIONS DEBT SERVICE REQUIREMENTS." Excludes Senior Bonds Being Refunded.
4. Subordinate Debt Service from Table 5(b) "SUBORDINATE OBLIGATIONS DEBT SERVICE REQUIREMENTS."
5. Calculated by adding estimated payments to AzSTA to Excise Tax Revenues. See footnote 7 below.
6. Estimated annual payments to AzSTA. Payments are limited to the amount of Unrestricted Excise Tax revenue generated at the NFL stadium and certain property surrounding the NFL stadium.
7. Coverage based upon annual debt service compared to Unrestricted Excise Taxes collected for the 2014 fiscal year. [Net of Bonds Being Refunded.] See "CERTAIN BONDHOLDER'S RISKS - Legislative Ability to Eliminate or Reduce State-Shared Excise Taxes" herein.

*Preliminary, subject to change

RECENT BUDGET AND FINANCIAL DEVELOPMENTS

General Fund

On June 12, 2012, the Glendale City Council approved a 0.7% increase in the City's transaction privilege tax (TPT) rate. This increase, which was implemented on August 1, 2012, was due to expire on July 31, 2017. During the Fiscal Year 2015 budget process, there was significant planning centered on the detailed five-year financial forecast, and on June 24, 2014, the termination date (or "sunset" provision) was eliminated effectively making the 0.7% increase permanent. Table 7 overviews the General Fund financial results beginning with the Fiscal Year ended June 30, 2009 (Fiscal Year 2009) through Fiscal Year 2014 (unaudited).

At June 30, 2014, the ending General Fund, fund balance was a deficit $2.1 million. However, the June 30, 2014 cash and investments totaled $40.1 million for the General Fund. The primary reasons for the difference between the $40.1 million cash and investments balance and the $2.1 million deficit fund balance is: a) the advance from other funds to the General Fund totaling $39.5 million payable through Fiscal Year 2037 and b) the $5.0 million contract payable to the National Hockey League payable in Fiscal Year 2017.

Table 7
City of Glendale, Arizona
General Fund Activity
(000's)

	2009	2010	2011	2012	2013	2014[1]
Revenues:						
Taxes & Assessments	$58,761	$57,537	$59,435	$60,852	$87,849	$96,943
Licenses & Permits	9,006	8,641	8,547	9,172	9,598	9,833
Intergovernmental	64,710	58,490	50,644	44,780	50,040	54,005
Charges for Services	7,133	5,658	8,264	9,236	10,797	13,642
Other	7,614	7,463	19,815	11,613	6,143	7,167
Total	147,224	137,789	146,705	135,653	164,427	181,590
Expenditures:						
General Government	23,867	21,457	19,467	17,696	15,785	29,445
Public Safety	83,110	77,667	73,716	74,509	81,639	85,029
Public Works	10,944	11,472	8,708	7,635	7,822	7,444
Community Services	26,854	22,600	20,217	19,209	15,371	13,438
Debt	2,905	2,433	2,245	1,626	2,815	1,508
Capital Outlay	5,782	2,717	3,005	2,983	699	2,540
Other	2,830	2,496	1,814	2,362	3,196	2,712
Total	156,292	140,842	129,172	126,020	127,327	142,116
Other Fin. Sources/(Uses):						
Net Transfers	(4,979)	(11,244)	(20,746)	(21,267)	(22,895)	(30,878)
NHL Owners Fee	0	0	(25,000)	(25,000)	0	0
Other	289	513	450	650	643	480
Total	(4,690)	(10,731)	(45,296)	(45,617)	(22,252)	(30,398)
Beginning Balance (July 1)	66,388	52,630	39,433[2]	9,335[3]	(26,649)	(11,801)
Net Change in Fund Balance	(13,758)	(13,784)	(27,763)	(35,984)	14,848	9,076
Ending Balance (June 30)	$52,630	$38,846	$11,670	($26,649)	($11,801)	($2,725)
Unassigned Fund Balance	$29,410	$22,626	($5,414)	($29,565)	($14,438)	($5,129)

[1] Unaudited. The City's Audited Financial Statements are expected to be available in December 2014

[2] GASB 54 restated fund types revised balance June 30, 2010

[3] Restated due to reassignment to the General Fund of a contractual payment by the City of approximately $2.3 million which had initially been charged against the City's Risk Management Fund

The General Fund, fund balance was reduced in excess of $90 million over the four year period from Fiscal Year 2009 through Fiscal Year 2012. Fiscal Year 2013 saw the first year of a net increase to the fund balance but did not include the impacts of a newly negotiated Arena Management Agreement, a net General Fund impact of approximately $8.5 million, or debt service related to the Camelback Ranch Spring Training Facility, a General Fund impact of approximately $11.1 million.

The Fiscal Year 2014 adopted General Fund budget anticipated a planned spend-down of $14.3 million in fund balance and was the first fiscal year in which the General Fund fully funded the impacts of the Arena Management Agreement and debt service costs related to the Camelback Ranch Spring Training Facility. Despite these financial events, the Fiscal Year 2014 actual results (unaudited) indicate the General Fund, fund balance increased by $9.1 million as illustrated on Table 7.

The growth of taxes and assessments revenue beginning in Fiscal Year 2013 is attributed primarily to the 0.7% increase in the TPT rate, effective August 1, 2012. After factoring out the partial-year impact of the 0.7% increase, the actual TPT revenue increased by approximately 5% in Fiscal Year 2014 from Fiscal Year 2013.

The second largest revenue category in the General Fund is intergovernmental revenue. This consists primarily of State-Shared Sales Tax, State-Shared Income Tax, and State-Shared Motor Vehicle In-Lieu Tax. In Fiscal Year 2009, a decline in revenues started and continued for three consecutive years. Beginning in Fiscal Year 2013, and continuing in Fiscal Year 2014, intergovernmental revenue increased by 11.7% and 7.9%, respectively. The distribution of State-Shared Sales and Income Tax revenue is based upon the relation of the city's population to the total state population while the distribution of Motor Vehicle In-Lieu revenue is based on the city's population in relation to the total incorporated population of Maricopa County.

Overall, General Fund expenditures reduced from $156.3 million in Fiscal Year 2009 to $126.0 million in Fiscal Year 2012, a reduction of 19.3%. The growth in Fiscal Year 2014 expenditures is due primarily to the Arena Management agreement, totaling approximately $14.0 million. Net transfers increased by approximately $8.0 million. This is due primarily to the increase in debt service costs for the Camelback Ranch Spring Training facility.

The General Fund is made up of one primary fund and multiple General Fund, Sub-Funds. The primary General Fund supports the Sub-Funds. The Fiscal Year 2015 General Fund budget process began with a detailed five-year financial forecast presented in December 2013 and had an estimated fund balance reduction of $17.2 million for Fiscal Year 2015 in the primary fund. In order to address this estimated deficit, the City adopted a "zero-based" budget approach. Through several months of City Council Budget Workshops, the actual adopted Fiscal Year 2015 budget reduced this deficit to $2.1 million. This equals the one-time budget impact of Super Bowl XLIX.

Other Operating Funds

The other major operating funds include the Highway User Revenue Fund (HURF), Transportation, Police, and Fire Special Revenue Funds and the Water and Sewer, Sanitation, and Landfill Enterprise Funds. Similar to the General Fund, five-year financial forecasts were presented in February 2014 for the other operating funds in preparation for the Fiscal Year 2015 budget process. These forecasts included revised Fiscal Year 2014 estimates. Preliminary Fiscal Year 2014 actual results were compared to these revised estimates and presented to Council in October 2014. The actual Fiscal Year 2014 operating results outperformed the estimated results in each of these funds.

Going forward, the financial planning for the Other Operating Funds include analyses of compliance with bond covenants for existing debt supported from these funds. In particular, rate reviews are planned in Fiscal Year 2015 for the enterprise funds.

Phoenix Coyotes NHL Hockey Team; Management of City-Owned Arena

The Phoenix Coyotes professional hockey team (the "Coyotes" or the "Team") of the National Hockey League (NHL) is the anchor tenant in City-owned facility named "Gila River Arena" (the "Arena"). The NHL acquired the Coyotes assets in 2009 after the prior owner filed for bankruptcy and the City entered into an agreement with an NHL affiliate to manage the Arena. Pursuant to agreements between the City and the NHL, the Coyotes continued to use the Arena as its home-game venue during the 2010-11, 2011-12, and 2012-13 season, but home games in the Arena during the 2012-13 season were interrupted by a labor dispute. The City agreed to pay the NHL a total of $50 million to

manage the Arena. The first $25 million payment was made in Fiscal Year 2011. The second $25 million was expensed in Fiscal Year 2012. The City made a cash payment of $20 million into an escrow account for the NHL to drawn down four equal installments from the Fiscal Year 2013 through Fiscal Year 2016. The final planned $5 million payment is to be paid from the General Fund appropriations in Fiscal Year 2017. A total of $45 million was financed through inter-fund advances, as overviewed below. A total of $45 million was financed through inter-fund advances, as overviewed below, with the final planned $5 million payment to be paid from the General Fund appropriations in Fiscal Year 2017.

On July 2, 2013, an Arena Management Agreement with IceArizona was approved by Council with an effective date of August 5, 2013. This fifteen-year agreement pays IceArizona a total management fee of $15 million per year. Additionally, the agreement states the City will make capital improvement contributions of $500,000 per year through Fiscal Year 2019 growing to $1.0 million per year through Fiscal Year 2027. The management fees and capital improvement contributions are offset by a share of revenues generated at the Arena. The Fiscal Year 2014 (a partial fiscal year) net General Fund impact totaled $8.5 million (management fees and capital improvement contributions offset by agreement revenues). The Fiscal Year 2015 budgeted net General Fund impact, the first full fiscal year under the agreement, is budgeted at $8.6 million.

Although this is a fifteen year agreement, there is an early termination provision that states if cumulative losses exceed $50 million over the first five year, the team owner and manager have the right to terminate the agreement. If the agreement is terminated prior to the first five years, the City has the right to $45 million less cumulative arena revenues received prior to the date terminated under the agreement.

Inter-Fund Advances

A total of $45 million in inter-fund advances were made to the General Fund in Fiscal Years 2011 and 2012. $40 million in inter-fund advances were from enterprise funds and $5 million were from General Fund, Sub-Funds. As the General Fund, Sub-Funds are combined with the primary General Fund, these $5 million advances are not part of the General Fund liability.

As of June 30, 2014, the total General Fund liability for the $40 million inter-fund advance (often referred to as inter-fund loans) totals $39.5 million. These outstanding amounts are from the Water & Sewer, Sanitation, and Landfill enterprise funds. The terms of these advances (repayment amount, interest rate, repayment term, etc.) are set by Council and can be changed by Council. The advances from the enterprise funds are payable through Fiscal year 2037.

CERTAIN BONDHOLDER'S RISKS

THE OBLIGATIONS ARE SUBJECT TO A NUMBER OF MATERIAL RISK FACTORS. THE FOLLOWING IS A DISCUSSION OF SOME, BUT NOT NECESSARILY ALL, OF THE POSSIBLE RISK FACTORS WHICH SHOULD BE CAREFULLY EVALUATED BY PROSPECTIVE PURCHASERS.

Economic Conditions in the City and the State

The 2015 Obligations are payable from and secured by a first lien pledge of Unrestricted Excise Taxes, as described under "SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS" and "SOURCES FOR INSTALLMENT PAYMENTS." The amount of Unrestricted Excise Taxes at any time largely dependent upon the level of retail and other sales activity, which level is, in turn, dependent upon the level of economic activity in the City and in the State generally.

[Since fiscal year 2007-08, the economy of the City, as in the State as a whole, continued to be weak, as evidenced by a series of decreases in annual receipts of Unrestricted Excise Taxes, continuing higher than historic norm unemployment rate and other economic indicators. Current domestic and international economic conditions resulting in only slow economic recovery have had, and are expected to continue to have, negative repercussions for the City. Such weak economic activity has resulted in reduced revenues for government, high unemployment, a scarcity of credit, volatility in the financial markets and weak business capital expenditure activity. Governmental bodies in the State,

including the City, are addressing budget deficits, in part, by reducing expenditures for public employees through lay-offs and other cost cutting measures.] [To be revised and updated]

For additional information relating to historic and current economic conditions in the City, see "Table 4 -- City of Glendale Unrestricted Excise Tax Receipts" and Appendix A – "CITY OF GLENDALE, ARIZONA -- GENERAL AND FINANCIAL INFORMATION."

Legislative Ability to Eliminate or Reduce State-Shared Taxes

The State has shared transaction privilege tax receipts with Arizona cities and towns continuously since 1942 and shared income tax receipts continuously since 1972. However, the State Legislature may eliminate State-shared sales and income taxes and any other State-shared revenues or may change the amount and timing of State-shared sales and income taxes and any other State-shared revenues and is under no legal obligation to maintain the amount of State-shared sales and income taxes or any other State-shared revenues distributed to the City at any amount or level. Accordingly, the City is unable to maintain its State-shared sales and income taxes at any particular level for payment of the Senior Excise Tax Obligations or the Subordinate Excise Tax Obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS – Purchase Agreement Covenants Pertaining to the Unrestricted Excise Taxes" regarding the City's covenants to maintain overall Unrestricted Excise Tax receipts at certain levels.

From time to time, bills are introduced in the Arizona Legislature to make changes to the formulas used to allot State-shared sales taxes and State revenue sharing. The possibility of changes in this regard are more likely to be adverse to the City when the State is experiencing financial difficulties. The City cannot determine whether any such measures will become law or how they might affect the revenues that comprise the Unrestricted Excise Taxes. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law which repeal or modify State sales taxes and State income taxes (the major sources of funds for State revenue sharing). The City cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election.

Potential for Future Initiatives and Referenda Affecting Unrestricted Excise Taxes

Initiative measures are circulated from time to time seeking to submit to the voters changes in the legislative actions of the Mayor and City Council, including those which would repeal or modify the City's transaction privilege and use taxes. For example, Proposition 457 was an initiative measure placed on the ballot at the November 6, 2012 general election seeking to amend the City Charter to require voter approval for increases to certain transaction privilege taxes, which its proponents contended would have repealed the 2012 0.7% increase if Proposition 457 had been approved. Proposition 457 was defeated by a wide margin; but see the following discussion with respect to the City's inability to predict future initiatives. Referenda are also possible for a limited time after a legislative action is taken by the City Council seeking to submit such legislative actions to approval by the voters.

The City believes that initiative or referendum measures are subject to constitutional limitations on impairment of contractual obligations and consequently, such measures could not repeal or reduce transaction privilege taxes legally in place at the time of issuance of obligations such as the 2015 Obligations to the extent that such transaction privilege taxes are necessary for the City to comply with the covenants described above under "SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS - Covenants Pertaining to the Unrestricted Excise Taxes." However, the City cannot predict if any future initiatives or referenda will actually be submitted to the voters, what form the measures may take, the outcome of any future election and whether such action would materially and adversely affect its ability to collect or increase Unrestricted Excise Taxes or subsequent judicial interpretations of the effect of Council's legislative actions.

Limitation of Remedies

Upon the occurrence of an Event of Default under the Trust Agreement or the Purchase Agreement, the Trustee, on behalf of the owners of the 2015 Obligations is entitled to enforce the covenants and agreements of the City by specific performance or other legal or equitable remedy. Any judgment will, however, only be enforceable against

the Unrestricted Excise Taxes and other funds held under the Trust Agreement in accordance with the first lien priority assigned to the 2015 Obligations and not against any other funds or properties of the City.

The availability of remedies under the Trust Agreement and the Purchase Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; the application of equitable principles and the exercise of judicial discretion in appropriate cases; common law and statutes affecting the enforceability of contractual obligations generally; principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City. Due to the delays in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the City under the Indenture and the Purchase Agreement, to the extent enforceable, could result in delays in payment of Debt Service on the 2015 Obligations.

Terms no Longer in Effect upon Payment of Currently Outstanding Excise Tax Obligations.

The provisions set forth in the Trust Agreement related to the Reserve Fund for the 2015 Obligations will be effective only to the extent that a comparable requirement exists for the currently outstanding Senior Bonds. Consequently, the City would not be required to fund a Reserve Fund once the Senior Bonds are no longer outstanding under the Senior Agreements. Furthermore, the provisions set forth in the Purchase Agreement related to acceleration of the 2015 Obligations will be effective only to the extent that a comparable requirement exists for any other currently outstanding Senior Bonds. Consequently, the 2015 Obligations would not be subject to acceleration once the currently outstanding Bonds are no longer outstanding under the Senior Agreements.

[Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are included in this Official Statement under the sections discussing the expected levels of Unrestricted Excise Taxes to be received by the City during fiscal year 2012-13 and succeeding budgets for the City, among others. When used in this Official Statement, the words "estimate," "forecast," intend," "expect," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possible materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstance may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results.]

City Charter Requirement for Voter Approval of Certain New Excise Taxes

As more fully described under SECURITY AND SOURCES OF PAYMENT FOR THE 2015 OBLIGATIONS –Purchase Agreement Covenants Pertaining to the Unrestricted Excise Taxes," The City covenants in the Purchase Agreement that the Unrestricted Excise Taxes it imposes will be retained and maintained so that the amount of all Unrestricted Excise Taxes received within and for the next preceding fiscal year, will be equal to (a) with respect to Senior Excise Tax Obligations, at least three times the rental requirements payable on Senior Excise Tax Obligations in the current fiscal year and (b) with respect to the Subordinate Excise Tax Obligations, at least two times the combined total rental requirements on Senior Excise Tax Obligations and Subordinate Excise Tax Obligations, and that if such receipts for any such preceding fiscal year shall not equal those levels for the current fiscal year, or if at any time it appears that the current receipts will not be sufficient to meet the rental requirements for Senior Excise Tax Obligations or Subordinate Excise Tax Obligations in the current fiscal year, the City will, to the extent permitted by law, either impose new Unrestricted Excise Taxes or will increase the rate of such taxes currently imposed in order that (i) the current receipts will be sufficient to meet all current requirements under the Purchase Agreement for payments on the Senior Excise Tax Obligations and Subordinate Excise Tax Obligations, and (ii) the current year's receipts will be reasonably calculated to attain the level required for the succeeding fiscal year's requirements.

In connection with the City's foregoing covenants, purchasers of the 2015 Obligations should consider that the City's Charter presently provides that voter approval would be required for the City Council to impose new City

transaction privilege taxes, but no such voter approval would be required for the City Council to increase the rates on City transaction privilege taxes then in effect.

LITIGATION

The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The City Attorney has advised City management of the nature and extent of pending or threatened claims against the City. In the opinion of the City management, such matters will not, either alone or in the aggregate, have a materially adverse effect on the City's financial position or its ability to comply with the requirements of the Purchase Agreement, including making timely payments of Installment Payments under the Purchase Agreement.

To the knowledge of the City Attorney, no litigation or administrative action or proceeding is pending or overtly threatened restraining or enjoining, or seeking to restrain or enjoin, the execution, delivery or performance of the 2015 Obligations or the Purchase Agreement by the City or contesting or questioning the proceedings and authority under which the 2015 Obligations and the Purchase Agreement will be executed or delivered, or the validity of the 2015 Obligations or the Purchase Agreement Certificates of appropriate representatives of the City to that effect will be executed at the time of the delivery of the 2015 Obligations.

TAX MATTERS

Tax-Exempt Obligations — General.

The Code includes requirements which the City must continue to meet with respect to the Tax-Exempt Obligations after the issuance thereof in order that interest on the Tax-Exempt Obligations not be included in gross income for federal income tax purposes. The City's failure to meet these requirements may cause interest on the Tax-Exempt Obligations to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted to take the actions required by the Code in order to maintain the exclusion from federal gross income of interest on the Tax-Exempt Obligations.

In the opinion of Special Counsel, under existing law, the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Tax-Exempt Obligations (the "Tax-Exempt Interest Portion") will be excludible from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, will not be treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations (but will be taken into account in determining adjusted current earnings for purposes of computing such tax imposed on certain corporations) and will be exempt from Arizona income taxation so long as the Tax-Exempt Interest Portion is excudible from gross income for federal income tax purposes. Special Counsel expresses no opinion as to the treatment for federal or Arizona income tax purposes on the Tax-Exempt Interest Portion as to any other tax consequence relating to the Tax-Exempt Obligations.

The Code prescribes a number of qualifications and conditions for such interest to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the City to the federal government, require future or continuing compliance after delivery of the Tax-Exempt Obligations in order for the Tax-Exempt Interest Portion to be and to remain so excluded from the date of execution and delivery. Such opinion on such tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain continuing covenants of the City contained in documents which are part of the transcript of proceedings for the Tax-Exempt Obligations and which are intended to evidence and assure that the Tax-Exempt Interest Portion will remain excluded from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of the certifications and representations, or compliance with the covenants, made by the City. Noncompliance with these requirements could cause the Tax-Exempt Interest Portion to be included in gross income for federal income tax purposes and to be subject to federal and Arizona income taxation retroactive to the date of execution and delivery of the Tax-Exempt Obligations. The City has covenanted in the Purchase Agreement to take all such actions that may be

required of them for the Tax-Exempt Interest Portion to be and remain excluded from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion.

Prospective purchasers of the Tax-Exempt Obligations should be aware that the ownership of the Tax-Exempt Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Tax-Exempt Obligations or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on an Obligation; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the Tax-Exempt Interest Portion; (iii) the inclusion of the Tax-Exempt Interest Portion in the earnings of certain foreign corporations doing business in the United States of America (the "United States") for purposes of the branch profits tax; (iv) the inclusion of the Tax-Exempt Interest Portion in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion in gross income of the Tax-Exempt Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Tax-Exempt Obligations. Prospective purchasers of the Tax-Exempt Obligations should consult their own tax advisors as to the impact of these other tax consequences.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of the Interest Portion, adversely affect the market price or marketability of the Tax-Exempt Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Tax-Exempt Obligations. If enacted into law, such legislation could affect the market price or marketability of the Tax-Exempt Obligations. Prospective purchasers of the Tax-Exempt Obligations should consult their tax advisors as to the impact of any proposed or pending legislation.

Special Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Special Counsel as of the date thereof. Special Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Special Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Tax-Exempt Obligations — Original Issue Discount and Bond Premium.

Certain of the Tax-Exempt Obligations as indicated on the inside front cover of this Official Statement ("Discount Obligations"), may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Obligation. The issue price of a Discount Obligation is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Obligations of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Obligation over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Tax-Exempt Obligations, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Obligation. A purchaser of a Discount Obligation in the initial public offering at the price for that Discount Obligation stated on the inside front cover of this Official Statement who holds that Discount Obligation to maturity will realize no gain or loss upon the retirement of that Discount Obligation.

The Tax-Exempt Obligations as indicated on the inside front cover page of this Official Statement (the "Premium Tax-Exempt Obligations"), were offered and will be sold at an "issue price" in excess of their stated redemption price at maturity. That excess constitutes obligation premium. The issue price of a Premium Obligation is the initial offering price to the public (other than bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Premium Tax-Exempt Obligations of the same payment date is sold pursuant to that offering. For federal income tax purposes, obligation premium is amortized over the period to the payment date of a Premium Obligation, based on the yield to payment date of that Premium Obligation (or, in the case of a Premium Obligation prepayable prior to its stated payment date, the amortization period and yield may be required to be determined on the basis of an earlier prepayment date that results in the lowest yield on that Premium Obligation), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that obligation premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner's gain or loss on the sale, prepayment (including prepayment at the prepayment date) or other disposition of a Premium Obligation, the owner's tax basis in the Premium Obligation is reduced by the amount of obligation premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation. A purchaser of a Premium Obligation in the initial public offering at the price for that Premium Obligation stated on the cover page of this Official Statement who holds that Premium Obligation to its payment date (or, in the case of a prepayable Premium Obligation, to its earlier prepayment date that results in the lowest yield on that Premium Obligation) will realize no gain or loss upon the retirement of that Premium Obligation.

Owners of Premium Tax-Exempt Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of obligation premium properly accruable in any period with respect to the Premium Tax-Exempt Obligations and as to other federal tax consequences, and the treatment of obligation premium for purposes of state and local taxes on, or based on, income.

Information Reporting and Backup Withholding

Interest paid on obligations such as the Tax-Exempt Obligations is subject to information reporting to the Internal Revenue Service. This reporting requirement does not affect the excludability of interest on the Tax-Exempt Obligations from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Tax-Exempt Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Tax-Exempt Obligations and proceeds from the sale of Tax-Exempt Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Tax-Exempt Obligations. This withholding generally applies if the owner of Tax-Exempt Obligations (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Tax-Exempt Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Tax-Exempt Bonds - Information Reporting and Backup Withholding.

Interest paid on bonds such as the Tax-Exempt Obligations is subject to information reporting to the Internal Revenue Service. This reporting requirement does not affect the excludability of interest on the Tax-Exempt Obligations from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Tax-Exempt Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Tax-Exempt Obligations and proceeds from the sale of Tax-Exempt Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Tax-Exempt Obligations. This withholding generally applies if the owner of Tax-Exempt Obligations (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the

TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Tax-Exempt Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Taxable Obligations — General

Special Counsel expresses no opinion regarding the excludability of the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Taxable Obligations (the "Taxable Interest Portion") from gross income for federal or Arizona income tax purposes.

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Taxable Obligations. The summary is based upon provisions of the Code, the regulations promulgated thereunder and rulings and court decisions now in effect, all of which are subject to change. This summary is intended as a general explanatory discussion of the consequences of holding the Taxable Obligations. This summary generally addresses Taxable Obligations held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Taxable Obligations as a hedge against currency risks or as a position in a straddle for tax purposes, foreign investors or persons whose functional currency is not the U.S. dollar. Potential purchasers of the Taxable Obligations should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Taxable Obligations.

Purchasers other than those who purchase the Taxable Obligations in the initial offering at their principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Taxable Obligations. Generally, the Taxable Interest Portion and recovery of accrued original issue and market discount, if any, will be treated as ordinary income to the obligation holder, and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

Taxable Obligations - Original Issue Discount.

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Taxable Obligations issued with original issue discount ("Discount Taxable Obligations"). A Taxable Obligation will be treated as having been issued at an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Taxable Obligations of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Taxable Obligation's stated redemption price at maturity multiplied by the number of complete years to its maturity. Generally, a Discount Taxable Obligation's "stated redemption price at maturity" is the total of all payments provided by the Discount Taxable Obligation that are not payments of "qualified stated interest". Generally, "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Taxable Obligation is the sum of the "daily portions" of original issue discount with respect to such Discount Taxable Obligation for each day during the taxable year in which such holder held such Discount Taxable Obligation. The daily portion of original issue discount is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period. An accrual period may be of any length, and may vary in length over the term of a Discount Taxable Obligation, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Taxable Obligation's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period.

The "adjusted issue price" of a Discount Taxable Obligation at the beginning of any accrual period is the sum of the issue price of the Discount Taxable Obligation plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Taxable Obligation that were not qualified stated interest payments.

Certain holders may elect to include all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on the Discount Taxable Obligation by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions. Such holders should consult their own tax advisors with respect to whether or not they should so elect.

Holders of Discount Taxable Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of original issue discount properly accruable in any period and as to other federal tax consequences and the treatment of original issue discount for purposes of state and local taxes on, or based on, income.

Taxable Obligations - Market Discount.

If an obligation holder purchases a Taxable Obligation for an amount that is less than the adjusted issue price of the Taxable Obligation, and such difference is not considered to be de minimis, then such discount will represent market discount. Absent an election to accrue market discount currently, upon a sale, exchange or other disposition of a Taxable Obligation, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred to carry a market discount bond is limited. Such obligation holders should consult their own tax advisors with respect to whether or not they should elect to accrue market discount currently, the determination and treatment of market discount for federal income tax purposes and the state and local tax consequences of owning such Taxable Obligations.

Taxable Obligations - Bond Premium.

If an obligation holder purchases a Taxable Obligation at a cost greater than its then principal amount, generally the excess is amortizable bond premium. The tax accounting treatment of bond premium is complex. Such obligation holders should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code, the determination and treatment of such premium for federal income tax purposes and the state and local tax consequences of owning such Taxable Obligations.

Taxable Obligations - Sale or Redemption of Taxable Obligations.

An obligation holder's tax basis for a Taxable Obligation is the price such owner pays for the Taxable Obligation plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Taxable Obligation, measured by the difference between the amount realized and the Taxable Obligation basis as so adjusted, will generally give rise to capital gain or loss if the Taxable Obligation is held as a capital asset (except as discussed above under "Market Discount"). The defeasance of Taxable Obligations may result in a deemed sale or exchange of such Taxable Obligations under certain circumstances; owners of such Taxable Obligations should consult their tax advisors as to the federal income tax consequences of such an event.

Taxable Obligations - Information Reporting and Backup Withholding.

Interest paid on obligations such as the Taxable Interest Portion is subject to information reporting to the Internal Revenue Service. In conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Taxable Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Taxable Obligations and proceeds from the sale of Taxable Obligations. Any

amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Taxable Obligations. This withholding generally applies if the owner of Taxable Obligations (i) fails to furnish the payor such owner's social security number or other TIN, (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Taxable Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Taxable Obligations - Nonresidents.

Under the Code, interest and original issue discount income with respect to Taxable Obligations held by nonresident alien individuals, foreign corporations and other non-United States persons ("Nonresidents") may not be subject to withholding. Generally, payments on the Taxable Obligations to a Nonresident that has no connection with the United States other than holding the Taxable Obligation will be made free of withholding tax, as long as such holder has complied with certain tax identification and certification requirements. Nonresidents should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Taxable Obligations.

LEGAL MATTERS

Legal matters incident to the issuance of the 2015 Obligations and with regard to the tax-exempt status of the Interest Portion (see "TAX MATTERS") are subject to the legal opinions of Greenberg Traurig, LLP, Special Counsel. Signed copies of the opinions, dated and speaking only as of the date of delivery of the 2015 Obligations, will be delivered to the Underwriters. The proposed forms of the legal opinions are set forth as Appendix D. The legal opinions to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of its date and subsequent distributions of it by recirculation of this Official Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinions subsequent to its date. In rendering its opinions, Special Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings which Special Counsel will not have independently verified.

The due authorization, execution, and delivery by the City, and the validity and enforceability against the City, of the Trust Agreement and the Purchase Agreement and certain other legal matters will be passed upon for the City by Greenberg Traurig, LLP, counsel to the City, and by the City Attorney. Certain legal matters will be passed upon solely for the Underwriters by _____.

The legal opinions express the professional opinions of counsel rendering them, but are not binding on any court or other governmental agency and are not guarantees of a particular result.

CANCELLATION OF CONTRACTS

The provisions of Arizona Revised Statutes Section 38-511, as amended, provide that certain public bodies, including the City, may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the public body if any person significantly involved in the initiating, negotiating, securing, drafting or creating of the contract on behalf of the public body is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter thereof. The cancellation shall be effective when written notice from the governing body of the public body is received by all other parties to the contract unless the notice specifies a later time. The City is a party to several contracts which are material to the payment of the 2015 Obligations, including the Purchase Agreement. The City and the Trustee each represent that it is not presently aware of any violation of such Section. Exercise of a remedy under A.R.S. Section 38-511, as amended, would adversely affect the Owners of the 2015 Obligations.

INDEPENDENT ACCOUNTANTS

The financial statements of the City as of June 30, 2014 and for its Fiscal Year then ended, which are included in the City's comprehensive annual financial report and are included as Appendix B of this Official Statement, have been audited by Clifton Larson Allen LLP independent accountants, as stated in their report which also appears in Appendix B.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is serving as financial advisor to the City in connection with the 2015 Obligations. The Financial Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the 2015 Obligations. RBC Capital Markets, LLC has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by RBC Capital Markets, LLC respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

The 2015 Obligations are being purchased for reoffering by _____, _____, _____ (collectively, the "Underwriters"). The Underwriters have agreed to purchase, subject to certain conditions, the 2015 Obligations at an aggregate purchase price of $_____, consisting of the principal amount thereof plus a reoffering premium of $_____ and less an underwriters' discount of $_____. The Underwriters will commit to purchase all of the 2015 Obligations if any are purchased. The 2015 Obligations are offered for sale initially at the approximate yields set forth on the inside front cover page of this Official Statement, which yields may be changed, from time to time, by the Underwriters. The 2015 Obligations may be offered and sold to certain dealers (including underwriters and dealers depositing the 2015 Obligations into investment trusts) at prices lower than the public offering price.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the beneficial owners of 2015 Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2016 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Report will be filed by the City with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board (the "MSRB"). The Notices of Listed Events will be filed by the City with the MSRB. The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is set forth in Appendix E - "FORM OF CONTINUING DISCLOSURE UNDERTAKING", attached hereto. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2015 Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability, liquidity, market price and marketability of the 2015 Obligations.

[The City previously entered into continuing disclosure undertakings with respect to certain previously issued Senior Excise Tax Obligations, Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded, which require the filing on or before February 1 of each year of audited financial statements and annual updates with respect to certain financial information and operating data related to the City. The following filings were not made timely:

1. The Annual Report for fiscal year ended June 30, 2010, due February 1, 2011, was not filed properly by CUSIP for the Senior Excise Tax Obligations, the Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded.

2. The Annual Reports for fiscal years ended June 30, 2009, June 30, 2010 and June 30, 2011, due February 1, 2010, February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2003D Subordinate Excise Tax Bonds.

3. The Annual Reports for fiscal years ended June 30, 2010 and June 30, 2011, due February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2002B Subordinate Excise Tax Bonds.

The City filed such financial information and operating data on or prior to November 27, 2012 through EMMA. In addition, the City is working to put in place procedures that it intends all future filings of the City's Annual Reports and Notices of Listed Events will be filed in a timely manner. Otherwise, the City is in material compliance with all previous continuing disclosure undertakings entered into pursuant to the Rule for the previous five years.]

RATINGS

Moody's Investors Service ("Moody's") and Standard and Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("Standard and Poor's") have assigned the 2015 Obligations long-term ratings of "__" and "___", respectively. Such ratings reflect only the views of such organization, and an explanation of the significance of such rating may be obtained only from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10041 and Standard and Poor's at 55 Water Street, New York, New York 10004. Each rating agency was provided with materials relating to the City and the 2015 Obligations and other relevant information, which includes information not included in this Official Statement, and, except as described below, no application has been made to any other rating agency for the purpose of obtaining a rating on the 2015 Obligations. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by Moody's or Standard and Poor's if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the 2015 Obligations.

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Trust Agreement and the Purchase Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents. For further information, reference should be made to the complete documents, copies of which are available as described under "INTRODUCTION."

All projections, forecasts and other information in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as part of a contract or agreement between the City or the Underwriters and the purchasers or holders of any of the 2015 Obligations.

The attached Appendices A through F are integral parts of this Official Statement and must be read together with all of the foregoing statements.

CITY OF GLENDALE, ARIZONA

By:_____

City Manager

APPENDIX A

CITY OF GLENDALE, ARIZONA
GENERAL AND FINANCIAL INFORMATION

General

The City of Glendale, Arizona (the "City" or "Glendale") is the fifth largest city by population in the State of Arizona and is located in the northwest portion of the Phoenix metropolitan area. The City is one of eight major cities comprising the greater Phoenix metropolitan area, which is Arizona's economic, political, and population center.

Founded in 1892 and incorporated in 1910, the City has an estimated 2013 population of 231,109. The following table illustrates Glendale's growth expressed by population statistics for the City along with the population statistics for Maricopa County, Arizona (the "County") and the State of Arizona, (the "State" or "Arizona") respectively.

Population Statistics

Year	City of Glendale	Maricopa County	State of Arizona
2013 Estimate (a)	231,109	3,944,859	6,581,054
2010 Census	226,721	3,817,117	6,392,017
2005 Special Census	242,369	3,700,516	6,044,985
2000 Census	218,812	3,072,149	5,130,632
1995 Special Census	172,684	2,355,900	4,307,150
1990 Census	148,134	2,122,101	3,665,305
1985 Special Census	122,392	1,829,500	3,187,000
1980 Census	97,172	1,509,262	2,716,333
1970 Census	36,228	971,228	1,775,399

(a) Population estimates as of July 1, 2013 (released December 2013) provided by the Office of Employment and Population Statistics, Arizona Department of Administration.

Source: U.S. Census Bureau; City of Glendale, Arizona Planning Department.

Along with population growth, the City has also grown in terms of land area as evidenced by the following table which illustrates the City's square mile statistics.

Square Mile Statistics
City of Glendale, Arizona

Year	Square Miles
2014	59.98
2010	59.02
2000	54.60
1990	50.09
1980	39.94
1970	16.83
1960	3.80

Source: City of Glendale Planning Department.

Municipal Government and Organization

The City operates under and is governed by the Council-Manager form of government, in accordance with its Charter. In addition, under the Arizona Constitution, the City may exercise all powers of local self-government to the extent it is not in conflict with applicable general laws. The City is also subject to certain general laws that are applicable to all Arizona cities.

Legislative authority is vested in a seven-member City Council consisting of a mayor elected at large and six council members elected based on a system of geographic districts. Council members serve a term of four years on a staggered basis and the Mayor is elected for a four-year term. The Council fixes compensation of officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal purposes and appoints the City Manager, the City Clerk, the City Treasurer, municipal judge and assistant municipal judge and the City Attorney. The Council also appoints members to a number of City boards and commissions.

Key Administrative Staff

Brenda Fischer, *City Manager* – Brenda Fischer has been the Glendale City Manager since July 2013. She has nearly 20 years of municipal experience with management expertise in public administration, finance, human resources, intergovernmental relations, economic development, strategic planning, labor relations and public information.

Since being appointed by the Glendale City Council, Fischer has implemented a five year budget forecast and presented short-term budget solutions without layoffs or reductions in service to the community. She also reorganized the City's structure and operations resulting in a streamlining of the organization that has increased productivity, efficiency and created future cost savings. Fischer is also known for being pro-active within the business community by outreaching with regular communication to local business and community leaders including sharing city information via a monthly City Manager report.

Prior to coming to Glendale, Fischer managed the City of Maricopa from 2011 to 2013 and also worked in city government as a Deputy City Manager in Glendora, California and spent 15 years in management positions in southern Nevada working for the cities of Henderson and North Las Vegas.

Fischer is a credentialed city manager from the International City/County Management Association (ICMA) and a member of the Arizona City/County Management Association. She has a master's degree in public administration from the University of Nevada, Las Vegas and a bachelor's in journalism/public relations with a sports information emphasis from the University of Southern California.

Michael Bailey, *City Attorney* - Michael D. Bailey is the City Attorney for the City of Glendale Arizona. Mr. Bailey is licensed to practice law in Arizona and California. Mr. Bailey holds a bachelor's degree of Science in Business Administration and a Juris Doctorate from Chapman University. Additionally, Mr. Bailey holds a Masters in Public Administration from American Public University. Prior to serving Glendale, Mr. Bailey was the City Attorney for the City of Surprise Arizona.

Tom Duensing, *Chief Financial Officer* - Tom Duensing has over 23 years of government finance experience. Since October of 2013, Mr. Duensing has been serving as the Finance and Technology Director for the City of Glendale. Prior to working in Glendale, he served at the City of Tempe and the City of Maricopa in various financial roles including Accounting Supervisor, Deputy Finance Director, City Auditor, Finance Director and Assistant City Manager. Mr. Duensing has also worked as an auditor in public accounting specializing in local government auditing and in the Arizona Governor's Office where he was responsible for grants administration. Mr. Duensing holds a B.S. in Accounting, an M.B.A., and is a Certified Public Accountant. He is a member of the Government Finance Officers Association of Arizona, the Government Finance Officers Association, the American Institute of Certified Public Accountants, and the Arizona Society of Certified Public Accountants.

Vicki Rios, *Assistant Finance Director* - Ms. Rios has 17 years of government finance experience. Since December of 2013, Ms. Rios has been serving as the Assistant Finance Director for the City of Glendale. Prior to working in Glendale, Ms. Rios served as Deputy Finance Director and Interim Treasurer for the City of Phoenix and held progressively responsible positions with the City of Peoria, Arizona including her most recent position as Revenue Manager. Since 2002, Ms. Rios has been an adjunct professor at Arizona State University and Glendale Community College. Ms., Rios is also the Chairperson of the Certification Advisory Committee for the Arizona State Board of Accountancy. She holds a Bachelor's degree, a Post-Baccalaureate Certificate in Accountancy, an M.B.A, and is a Certified Public Accountant. She is recognized as a Certified Public Finance Officer (CPFO) and is a member of the Government Finance Officers Association of Arizona and the Arizona Society of Certified Public Accountants.

Employees

As of June 30, 2014, the City had approximately 1,592 full-time and part-time employees and a fiscal 2014 gross payroll of $154.5 million. The City Council establishes salaries, wages and other economic benefits for City employees. In 2005, the City Council enacted an ordinance allowing certain members of the City's Fire Department and Police Department to be represented by employee organizations. City management is authorized to meet and confer with the employee organizations on specific matters, including wages, working conditions, and non-healthcare related benefits.

Economy

As Arizona's fifth largest city with a population of over 230,000 and a median household income of $57,481 the City is an economic engine of the Greater Phoenix West Valley, bordering the City of Phoenix on its eastern/southern borders. From its beginnings as an early farming settlement in the 1880's, to a military center of excellence after World War II, it has now evolved into the major sports, healthcare, education and corporate employment center.

As a result of the City's strategic location within the County and the Phoenix MSA, its economic efforts toward a business-friendly environment and its amenities and workforce attractiveness, the City has had a number of significant business investments in recent years, including: Despite the budgetary challenges addressed in this year's process, economic activity continues to thrive throughout the City. A number of major business developments and initiatives will have positive implications for Glendale's economy. City staff has facilitated more than 2,700 new jobs for Glendale this year, which is expected to result in the occupancy of 1.7 million new and existing square feet of office, industrial and retail space. This brings the grand total to more than 10,600 jobs created in the last six years alone – nearly 7,000 from new companies to Glendale and more than 3,600 jobs from existing companies. Newly-located businesses in Glendale include: NPL (Northern Pipeline), Harvard Drug, American Furniture Warehouse, Mattamy Homes, The Pain Center of Arizona, Canyon State Bus, Hensley Distribution, Avanti Windows, Empereon Marketing, New West Oil, Lockheed Martin, Glendale Ironwood Cancer Research Center, and Banner Health.

Several Key Economic Corridors within the City include the Northern Economic Corridor, Historic Downtown, and the 101 Economic Corridor and Loop 303.

Northern Economic Corridor.

Arrowhead Towne Center/Bell Road Retail Corridor – mixed use master planned community with residential, employment, recreation, shopping and dining. Approximately 1/3 of the City's retail sales tax revenues are generated in this area.

Midwestern University – 143 acre Glendale campus has been developed over the past decade. The campus offers state-of-the-art practice labs, lecture halls, and classrooms, as well as a comprehensive library and outpatient clinics. The campus has over _____ graduate students and offers five major programs currently and is the largest medical school in the State: The Arizona College of Osteopathic Medicine, College of Pharmacy, College of Health Sciences, College of Optometry, and the College of Dental Medicine – Arizona. Midwestern has also announced that they will be building Arizona's first-ever school of veterinary medicine, to be completed in 2014. [RBC TO UPDATE]

Banner Thunderbird Medical Center –They are currently the fourth largest hospital in the Phoenix metropolitan area with 561 licensed beds and nearly 3,000 employees.

Honeywell Aerospace – The Glendale facility of Honeywell Aerospace is one of the City's larger private employers with over 1,100 employees.

AAA Glendale Operations Center – a major information technology and customer service center in the City with over 1,300 employees.

Glendale's Historic Downtown.

Glendale Civic Center – Located in the heart of historic downtown, the Glendale Civic Center offers 33,000 square feet of indoor and outdoor meeting space for corporate events, trade shows, weddings and private parties.

Murphy Park/Caitlin Court - "The Downtown Dining District," "The Arts and Culture District," "The Old Towne Shopping District," and "Antiques Capital of Arizona."

Saguaro Ranch Park –Preserving one of the Valley's oldest and most magnificent ranches, the 17-acre Saguaro Ranch Park Historic Area features 13 original buildings, a rose garden, barnyard and historic orchards. Listed on the National Register of Historical Places and known as the "Showplace of the Valley," the Saguaro Ranch Park Historic Area offers activities, exhibits and guided tours—keeping the history of early settlement in the Valley alive.

Glendale's 101 Economic Corridor.

Westgate City Center – Westgate City Center offers a vibrant outdoor setting with unique water features, delivering an interactive shopping, dining and entertainment experience. It is anchored by Jobing.com Arena, home of the Phoenix Coyotes, and the University of Phoenix Stadium, home to the Arizona Cardinals. Some of the major business located within Westgate City Center, are:

(i) Gila River Arena / Arizona Coyotes – Owned by the City of Glendale, Gila River Arena (the "Arena") is home to the National Hockey League's Arizona Coyotes (the "Coyotes" or the "Team").

(ii) Tanger Factory Outlets Westgate – After breaking ground in April 2012, the Tanger Outlets at Westgate project opened in November 2012. Located just west of the Westgate city center along the Loop 101 in the Sports and Entertainment District, the newly built 368,000 square feet of space is now home to 85 top name-brand shops, such as Abercrombie & Fitch, Banana Republic, Brooks Brothers, Michael Kors, Nike and Coach.

(iii) Cabela's - In addition to offering quality outdoor merchandise, the 160,000 sq. ft. showroom is an educational and entertainment attraction, featuring a décor of museum-quality animal displays, huge aquariums and trophy animals interacting in realistic re-creations of their natural habitats.

(iv) University of Phoenix/Cardinal's Stadium – The primary tenants in the stadium include the NFL's Arizona Cardinals and the annual college football Fiesta Bowl. The 63,400-seat stadium will host the upcoming 2015 Super Bowl and the 2015 NFL ProBowl after successfully hosting the championship game in 2008.

Dignity Health – St. Joseph's Westgate Medical Center is a not-for-profit, 24 bed inpatient hospital that opened on May 13, 2014. The medical campus and hospital features new approaches to healthcare. The campus utilizes the most innovative uses of materials to promote patient safety, patient satisfaction and medical efficiency. St. Joseph's Westgate provides two operating rooms, two procedure rooms, a 12 bed emergency room and 12 universal care beds. Services included general surgery, orthopedics, urology, gastrointestinal and endoscopy.

Camelback Ranch - Located just across the Loop 101 from Glendale's Sports and Entertainment District, Camelback Ranch is the Spring Training home of the Los Angeles Dodgers and Chicago White Sox.

Glendale's Future Economic Corridor – the Loop 303.

Luke Air Force Base - Luke Air Force Base is one of Glendale's, and the West Valley's, primary economic drivers, located just east of the Loop 303. Luke was officially annexed into the City of Glendale in 1995 and is considered the economic center of both the Loop 303 corridor and the West Valley. The base population includes about 4,830 military members and Department of Defense civilians. With about 70,000 retired military members living in greater Phoenix, the base services a total population of nearly 80,000 people. Approximately 300 pilots train at Luke annually and proceed to combat assignments throughout the world. The 56th Fighter Wing also trains more than 350 maintenance technicians each year. The base has an economic impact of $2.17 billion annually to the Arizona economy and recently celebrated the opening of its F-35 Lightning II Academic Training Center.

The new facility will provide state-of-the-art training for fighter pilots and continue Luke's mission to train the world's best fighter pilots. The F-35 is the world's most advanced multi-role fighter and will replace aging fighter inventories in the Air Force, Navy and Marines.

Glendale 2025, the City's General Plan, identifies future land uses for this area that are compatible with Luke Air Force Base and captures appropriate land uses adjacent to the Loop 303. Much of the land in this area is located within the 65-decibel noise contours for Luke with the goal of continuing to protect Air Force operations.

The City has a diverse employer base. The following is a list illustrating major employers in the City.

Major Employers
City of Glendale, Arizona
as of June 30, 2014

Employer	Service	Approximate Number of Employees
Luke Air Force Base	Military	5,610
Banner Thunderbird Health System	Health Care	2,900
Arrowhead Towne Center	Retail	2,500
Wal-Mart	Retail	2,175
Glendale Union High School District	Education	1,944
Glendale Community College	Education	1,790
Glendale Elementary School District	Education	1,608
AAA	Insurance	1,000
City of Glendale	Government	1,592
Arrowhead Hospital	Health Care	1,010

Source: City of Glendale, Arizona.

The following table compares the City's unemployment averages with those of the United States, the State and the County for the last five years.

Unemployment Averages

Year	United States	State of Arizona	Maricopa County	City of Glendale
2014 [(a)]	6.3%	7.1%	6.0%	6.1%
2013	7.4	8.0	6.7	6.9
2012	8.1	8.3	7.2	7.7
2011	8.9	9.4	8.5	8.9
2010	9.6	10.4	9.6	9.9
2009	9.3	9.8	9.0	9.3

(a) As of September, 2014.

Source: Arizona Department of Economic Security, Research Administration, Economic Analysis; US Department of Labor, Bureau of Labor Statistics.

Construction

The following tables depict building permit activity and value for residential and non-residential construction in the City, in addition to new housing starts in the City. It is anticipated that residential construction will continue on a slight downward trend as Glendale approaches build-out. If Glendale is successful in annexing properties in the Loop 101 Corridor and the Loop 303 Corridor, residential build-out may occur between 2020 and 2025.

Value of Building Permits
City of Glendale, Arizona

Fiscal Year	Residential	Commercial & Industrial	Other[(a)]	Total
2014	$42,250,810	$109,564,039	$51,825,857	$203,640,706
2013	81,624,695	110,568,843	79,288,170	271,481,707
2012	99,977,051	48,425,681	54,837,384	302,240,116
2011	39,397,373	71,663,689	6,712,915	117,773,972
2010	28,008,551	82,907,408	52,042,366	162,958,325

(a) Other category is comprised of a variety of sources including residential garages and carpools, swimming pools and spas, signs, demolitions and razings, and other miscellaneous sources.

Source: City of Glendale, Arizona Building Safety Department.

Building Permits[(a)]
City of Glendale, Arizona

Fiscal Year	Total Building Permits
2014	4,799
2013	6,383
2012	5,304
2011	5,619
2010	5,194

(a) The date on which the permit is issued is not to be construed as the date of construction.

Source: City of Glendale, Arizona Building Safety Department.

Sales Tax Revenue

The following City sales tax revenue is based on the City's sales and use tax collections from its 1.9% sales tax levy together with the restaurant and bar (2.9%), hotel (6.9%), construction (1.9%), and communication (5.1%) portions of the total sales tax collections. These revenues do not reflect sales tax revenues received by the City which are restricted to use for police, fire and transportation.

Sales Tax Revenue
City of Glendale, Arizona

Fiscal Year	Amount
2014	$88,764,000
2013	82,678,263
2012	56,158,067
2011	54,884,920
2010	53,807,689

Source: City of Glendale Finance Department.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

In the year 2000, the Loop 101 freeway was opened as part of the City's general plan for future west area development. The freeway's opening has spurred residential, commercial and industrial development in the adjacent areas, and increased access to venues such as the Arena and the University of Phoenix NFL stadium. (See "Additional Information" below.) Major transportation corridors that connect Glendale to the entire metropolitan region include historic Grand Avenue, Loop 303 in the far west, the Loop 101 in the western and northern parts of the city, and the Northern Parkway, which is currently in phase two of construction, connecting several West Valley cities. Glendale is a member of the Valley Metro, the area's Regional Public Transportation Authority (RPTA). Glendale Transit provides a wide range of convenient, low-cost transportation alternatives for Glendale citizens and visitors, including fixed-route bus service, Glendale Dial-A-Ride, Glendale Urban Shuttle (GUS) bus service, ADA service and a taxi-subsidy program.

Glendale also operates a municipal airport. Located just five miles west of downtown Glendale, five miles east of Luke Air Force Base, and 30 minutes northwest of downtown Phoenix, this 477-acre modern airport features a beautifully designed two-story, 18,000 square-foot terminal, a Federal Aviation Administration contract-tower, and complete airport services for general aviation and corporate jet traffic. The airport's facilities include a 7,150 foot paved and lighted runway, a $2.3 million terminal, a 10,000 square-foot hangar and many smaller, enclosed hangars for aircraft. The full-service airport is accessible to general aviation aircraft from single-engine planes to corporate jets. Twenty-one businesses are located on the field and 186 new hangars have been built. In addition, a new business park is being planned for the east side of the landing field. A full service fixed base operator is located on the field with two grades of fuel and full maintenance is available.

Airlines Serving Sky Harbor International Airport
as of October, 2014

Airline	
Aero Mexico	JetBlue Airways
Air Canada	Southwest Airlines
Alaska Airlines	Spirit Airlines
American Airlines (a)	Sun Country Airlines
British Airways	United Airlines
Delta Airlines	US Airways (a)
Frontier Airlines	Volaris
Great Lakes Airlines	WestJet
Hawaiian Airlines	

(a) American Airlines and US Airways merged on December 9, 2013. The two airlines will continue to operate separately until a single operating certificate is achieved within the next 18-24 months.

Source: City of Phoenix Aviation Department.

Number of Passengers Arriving and Departing
Sky Harbor International Airport
As of August, 2014

Calendar Year	Deplaned	Enplaned	Total
2014	14,225,326	14,234,571	28,459,897
2013	20,174,643	20,166,971	40,341,614
2012	20,279,006	20,169,926	40,448,932
2011	20,380,496	20,211,799	40,592,295
2010	19,329,480	19,225,050	38,554,530

Source: City of Phoenix Aviation Department.

Education

The City is home to four major institutions of higher education. Glendale Community College is one of the campuses which comprise the Maricopa County Community College District. The College offers a curriculum leading to an Associate of Arts degree. The American Graduate School of International Management (Thunderbird) is currently a privately-owned graduate-level institution offering a curriculum leading to a Masters of International Management degree. Thunderbird is currently in negotiations to be acquired by Arizona State University.

Midwestern University has a 143-acre campus located in Glendale. This university specializes in health care education, providing programs that range from osteopathic medicine to cardiovascular science. Midwestern is in the midst of a $140 million expansion and expects to have over 2,700 students once the expansion is complete in 2014.

The Arizona State University West campus is a 300-acre campus located on Glendale's eastern border. Over [400] business classes are offered at the campus for junior and senior students. In addition, a complete Masters of Business Administration program is available.

Residents of the City are also served by numerous elementary schools, junior high schools and high schools.

DEBT AND FINANCIAL DATA

Introduction

The City's fiscal year is from July 1 through June 30.

The Director of Finance and Technology is responsible for finance, management and budget, procurement, accounting, computer-related planning, evaluation and installation of hardware and software throughout the City. The Economic Development Director is responsible for attracting, retaining and expanding businesses and providing redevelopment and business assistance and encompasses economic development, planning and building safety services.

Expenditure Limitation

Commencing in fiscal year 1982-83, the City became subject to the annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the City's actual expenditures for fiscal year 1979-80, with this base adjusted annually to reflect population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, such as expenditures made from federal funds and bond sale proceeds, as well as debt service payments. The limitation can be exceeded for certain emergency expenditures or if approved by the voters. The constitutional provisions which relate to the expenditure limitation provide three processes to exceed the spending limit: a local home rule option; a permanent base adjustment; and a one-time override.

On March 16, 1982, the voters of the City approved a local home-rule option proposition referred to them by the City Council to exceed the statutorily imposed expenditure limit in all areas of City operations in the 1982-83 fiscal year and the three succeeding fiscal years to the extent of revenues anticipated to be received by the City. Successive authorizations to exceed the statutory limitation for four year periods were approved on March 1986, on March 1990 and on March 1994. On February 24, 1998 the City Council adopted a Resolution proposing an extension of the Alternative Local Expenditure Limitation tests for four more years and was approved by voters at the May 19, 1998 General Election. From July 1982 to June 2002, the City was subject to the home-rule option. The City is now subject to the State imposed expenditure limitation with which the City is in full compliance. On May 16, 2000, voters approved a permanent base adjustment to the 1980 expenditure limitation thereby increasing it from $21.5 million to $68 million (in 1980 dollars). This base year is adjusted by an inflation and population factor from year to year. The approval of this permanent adjustment by the voters will have no effect on sales and property taxes.

Operating Budget Process

The budget process emphasizes the City's objective of making the budget not only a financial plan but also a policy document, operations guide and a communications device as recommended by the Government Finance Officers Association ("GFOA"). GFOA has awarded the City's 2014 budget its "Distinguished Budget Presentation," the 22nd year the City has received this award. The 2015 budget has been submitted to GFOA. The annual and long-range budgeting process is shaped and guided by the four key foundation documents included in the annual budget document:

1. The annual operating budget
2. The 10-year capital plan
3. The 5-Year Forecast
4. The Financial Plan and Financial Policies

The annual budget document for Fiscal Year 2015 and the past few fiscal years are located at http://www.glendaleaz.com/budget.

Prior to Fiscal Year 2014, the budget process involved an approach where each department received target allocations. The responsible department would then be given a "base budget target allocation", and when additional funding was available, supplemental requests were then made for increases in services or the addition of new services. Supplemental requests were not considered starting with the Fiscal Year 2010 budget and continuing through the development of the Fiscal Year 2014 budget. Fiscal Year 2015 was the first year the City utilized a "zero-based" budget approach. Additionally, the budget was developed around the Five-Year Financial Forecast and was presented to Council on December 17, 2013. A zero-based approach means departments requested and

justified all Fiscal Year 2015 appropriated funds and did not receive "base budget target allocations" at the beginning of the budget process. The intent of the Five-Year Financial Forecast was to set the stage for the Fiscal Year 2015 budget process with an emphasis on future financial planning and stability.

The proposed budget is typically presented to City Council in March and April for the upcoming fiscal year, with an emphasis on the City's largest operating fund, the General Fund, along with the proposed capital improvement plan. The state-defined budget adoption process occurs in May and June following public hearings on the City Manager's proposed budget. This process results in City Council's formal adoption of the City's total budget for the upcoming fiscal year.

City budgeting for a fiscal year formally begins with the preparation of the budget. It is subsequently adopted, after a public hearing, by July 1 for the fiscal year. The budget must contain the information indicated above and a tax levy is made in accordance with state law. Additionally, the City has a formal Debt Management Plan and a 10 year capital improvement plan which are also incorporated in the budget process.

Capital Improvement Plan

Glendale's Capital Improvement Plan (the "Capital Plan") is a ten-year road map for creating, maintaining and rehabilitating Glendale's present and future infrastructure needs. The Capital Plan also represents a funding plan for capital expenditures. The Capital Plan is designed to ensure that capital improvements will be made when and where they are needed, and that the City will have the funds to pay for such improvements.

In conjunction with the annual budgeting process, the Financial Services Department coordinates the city-wide process of revising and updating the Capital Plan.

The City Council reviews all of the existing and proposed projects, considers citizen and City boards and commissions requests and evaluates management, financial and planning staff recommendations before making the final decision about which projects should be included in the annual Capital Plan and how those projects should be integrated into the City's annual budgeting process.

Financial Reports and Examination of Accounts

Annually, independent certified public accountants audit the financial records as required by state law and the Charter. See Appendix [__] – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR FISCAL YEAR ENDED JUNE 30, 2014" for the financial statements from the City's June 30, 2014, Comprehensive Annual Financial Report. The City received a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its 2014 Comprehensive Annual Financial Report as well as in each of the [29] preceding years.

RECENT BUDGET AND FINANCIAL DEVELOPMENTS

General Fund

On June 12, 2012, the Glendale City Council approved a 0.7% increase in the City's transaction privilege tax ("TPT") rate. This increase, which was implemented on August 1, 2012, was due to expire on July 31, 2017. During the Fiscal Year 2015 budget process, there was significant planning centered on the detailed five-year financial forecast, and on June 24, 2014, the termination date (or "sunset" provision) was eliminated, effectively making the 0.7% increase permanent. The General Fund Activity table below overviews the General Fund financial results beginning with the Fiscal Year 2009 through Fiscal Year 2014 (unaudited).

At June 30, 2014, the ending General Fund fund balance was a deficit $2.1 million. However, at the June 30, 2014 City cash and investments totaled $40.1 million for the General Fund. The primary reasons for the difference between the $40.1 million cash and investments balance and the $2.1 million deficit fund balance is: a) the advance from other funds to the General Fund totaling $39.5 million payable through Fiscal Year 2037 and b) the $5.0 million contract payable to the National Hockey League payable in Fiscal Year 2017.

Table 7
City of Glendale, Arizona
General Fund Activity
(000's omitted)

Fiscal Year:	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**[1]
Revenues:						
Taxes & Assessments	$58,761	$57,537	$59,435	$60,852	$87,849	$96,943
Licenses & Permits	9,006	8,641	8,547	9,172	9,598	9,833
Intergovernmental	64,710	58,490	50,644	44,780	50,040	54,005
Charges for Services	7,133	5,658	8,264	9,236	10,797	13,642
Other	7,614	7,463	19,815	11,613	6,143	7,167
Total	147,224	137,789	146,705	135,653	164,427	181,590
Expenditures:						
General Government	23,867	21,457	19,467	17,696	15,785	29,445
Public Safety	83,110	77,667	73,716	74,509	81,639	85,029
Public Works	10,944	11,472	8,708	7,635	7,822	7,444
Community Services	26,854	22,600	20,217	19,209	15,371	13,438
Debt	2,905	2,433	2,245	1,626	2,815	1,508
Capital Outlay	5,782	2,717	3,005	2,983	699	2,712
Other	2,830	2,496	1,814	2,362	3,196	2,096
Total	156,292	140,842	129,172	126,020	127,327	142,116
Other Fin. Sources/(Uses):						
Net Transfers	(4,979)	(11,244)	(20,746)	(21,267)	(22,895)	(30,878)
NHL Owners Fee	0	0	(25,000)	(25,000)	0	0
Other	289	513	450	650	643	480
Total	(4,690)	(10,731)	(45,296)	(45,617)	(22,252)	(30,398)
Beginning Balance (July 1)	66,388	52,630	39,433[2]	9,335[3]	(26,649)	(11,801)
Net Change in Fund Balance	(13,758)	(13,784)	(27,763)	(35,984)	14,848	9,076
Ending Balance (June 30)	$52,630	$38,846	$11,670	($26,649)	($11,801)	($2,725)
Unassigned Fund Balance	$29,410	$22,626	($5,414)	($29,565)	($14,438)	($5,129)

[1] Unaudited. The City's Audited Financial Statements are expected to be available in December 2014.

[2] Restated fund types revised balance June 30, 2010 pursuant to Governmental Accounting Standards Board Statement No. 54.

[3] Restated due to reassignment to the General Fund of a contractual payment by the City of approximately $2.3 million which had initially been charged against the City's Risk Management Fund.

The General Fund, fund balance was reduced in excess of $90 million over the four year period from Fiscal Year 2009 through Fiscal Year 2012. Fiscal Year 2013 saw the first year of a net increase to the fund balance but did not include the impacts of a newly negotiated Arena Management Agreement, a net General Fund impact of approximately $8.5 million, or debt service related to the Camelback Ranch Spring Training Facility, a General Fund impact of approximately $11.1 million.

The Fiscal Year 2014 adopted General Fund budget anticipated a planned spend-down of $14.3 million in fund balance and was the first fiscal year in which the General Fund fully funded the impacts of the Arena Management Agreement and debt service costs related to the Camelback Ranch Spring Training Facility. Despite these financial events, the Fiscal Year 2014 actual results (unaudited) indicate the General Fund fund balance increased by $9.1 million as illustrated in the General Fund Activity table above.

The growth of taxes and assessments revenue beginning in Fiscal Year 2013 is attributed primarily to the 0.7% increase in the TPT rate, effective August 1, 2012. After factoring out the partial-year impact of the 0.7% increase, the actual TPT revenue increased by approximately 5% in Fiscal Year 2014 from Fiscal Year 2013.

The second largest revenue category in the General Fund is intergovernmental revenue. This consists primarily of State-Shared Sales Tax, State-Shared Income Tax, and State-Shared Motor Vehicle In-Lieu Tax. In Fiscal Year 2009, a decline in revenues started and continued for three consecutive years. Beginning in Fiscal Year 2013, and continuing in Fiscal Year 2014, intergovernmental revenue increased by 11.7% and 7.9%, respectively. The distribution of State-Shared Sales and Income Tax revenue is based upon the relation of the City's population to the total State population while the distribution of Motor Vehicle In-Lieu revenue is based on the City's population in relation to the total incorporated population of Maricopa County.

Overall, General Fund expenditures reduced from $156.3 million in Fiscal Year 2009 to $126.0 million in Fiscal Year 2012, a reduction of 19.3%. The growth in Fiscal Year 2014 expenditures is due primarily to the Arena Management agreement, totaling approximately $14.0 million. Net transfers increased by approximately $8.0 million. This is due primarily to the increase in debt service costs for the Camelback Ranch Spring Training Facility.

The General Fund is made up of one primary fund and multiple General Fund Sub-Funds. The primary General Fund supports the Sub-Funds. The Fiscal Year 2015 General Fund budget process began with a detailed five-year financial forecast presented in December 2013 and had an estimated fund balance reduction of $17.2 million for Fiscal Year 2015 in the primary fund. In order to address this estimated deficit, the City adopted a "zero-based" budget approach. Through several months of City Council Budget Workshops, the actual adopted Fiscal Year 2015 budget reduced this deficit to $2.1 million. This equals the one-time budget impact of Super Bowl XLIX.

Other Operating Funds

The other major operating funds include the Highway User Revenue Fund (HURF), Transportation, Police, and Fire Special Revenue Funds and the Water and Sewer, Sanitation, and Landfill Enterprise Funds (collectively, the "Other Enterprise Funds"). Similar to the General Fund, five-year financial forecasts were presented in February 2014 for the other operating funds in preparation for the Fiscal Year 2015 budget process. These forecasts included revised Fiscal Year 2014 estimates. Preliminary Fiscal Year 2014 actual results were compared to these revised estimates and presented to Council in October 2014. The actual Fiscal Year 2014 operating results outperformed the estimated results in each of these funds.

Going forward, the financial planning for the Other Operating Funds include analyses of compliance with bond covenants for existing debt supported from these funds. In particular, rate reviews are planned in Fiscal Year 2015 for the enterprise funds.

Phoenix Coyotes NHL Hockey Team; Management of City-Owned Arena

The Coyotes of the National Hockey League (NHL) is the anchor tenant in the Arena. The NHL acquired the Coyotes assets in 2009 after the prior owner filed for bankruptcy and the City entered into an agreement with an NHL affiliate to manage the Arena. Pursuant to agreements between the City and the NHL, the Coyotes continued to use the Arena as its home-game venue during the 2010-11, 2011-12, and 2012-13 seasons, but home games in the Arena during the 2012-13 season were interrupted by a labor dispute. The City agreed to pay the NHL a total of $50 million to manage the Arena. The first $25 million payment was made in Fiscal Year 2011. The second $25 million was expensed in Fiscal Year 2012. The City made a cash payment of $20 million into an escrow account for the

NHL to drawn down for equal installments from Fiscal Year 2013 through Fiscal Year 2016. The final planned $5 million payment is to be paid from the General Fund appropriations in Fiscal Year 2017. A total of $45 million was financed through inter-fund advances, as overviewed below.

On July 2, 2013, an Arena Management Agreement with IceArizona was approved by Council with an effective date of August 5, 2013. This fifteen-year agreement pays IceArizona a total management fee of $15 million per year. Additionally, the agreement states the City will make capital improvement contributions of $500,000 per year through Fiscal Year 2019 growing to $1.0 million per year through Fiscal Year 2027. The management fees and capital improvement contributions are offset by a share of revenues generated at the Arena. The Fiscal Year 2014 (a partial fiscal year) net General Fund impact totaled $8.5 million (management fees and capital improvement contributions offset by agreement revenues). The Fiscal Year 2015 budgeted net General Fund impact, the first full fiscal year under the agreement, is budgeted at $8.6 million.

Although this is a fifteen year agreement, there is an early termination provision that states if cumulative losses exceed $50 million over the first five years, the team owner and manager have the right to terminate the agreement. If the agreement is terminated prior to the first five years, the City has the right to $45 million less cumulative arena revenues received prior to the date terminated under the agreement.

Inter-Fund Advances

A total of $45 million in inter-fund advances were made to the General Fund in Fiscal Years 2011 and 2012. $40 million in inter-fund advances were from enterprise funds and $5 million were from General Fund Sub-Funds. As the General Fund Sub-Funds are combined with the primary General Fund, these $5 million advances are not part of the General Fund liability.

As of June 30, 2014, the total General Fund liability for the $40 million inter-fund advance (often referred to as inter-fund loans) totals $39.5 million. These outstanding amounts are from the Water & Sewer, Sanitation, and Landfill enterprise funds. The terms of these advances (repayment amount, interest rate, repayment term, etc.) are set by Council and can be changed by Council. The advances from the enterprise funds are payable through Fiscal Year 2037.

PROPERTY TAXES

Ad Valorem Taxes

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State's property tax system. Beginning in tax year 2015 (for operations beginning in the City's fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the taxable value of property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that are regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

The information which follows under the heading "Ad Valorem Taxes" summarizes the assessment, levy and collection process as it currently exists.

General

For tax purposes in Arizona, real property is either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, "limited property value" and "full cash value," only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. For tax year 2015 and subsequent tax years, the limited property value of real property and improvements, including mobile homes, used for all ad valorem property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was the limited property value, and for the secondary ad valorem tax purposes it was the full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value were not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In general, the Assessor of the County uses a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
Property Tax Assessment Ratios (a)
Fiscal Years 2010-11 through 2014-15

	Assessment as Percentage of Full Cash Value				
Property Classification (b)	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Mining, Utility, Commercial and Industrial (c)(d)	21.0%	20.0%	20.0%	19.5%	19.0%
Agriculture and Vacant Land (c)	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private car Company and Airline Flight Property (e)	17.0%	15.0%	15.0%	15.0%	15.0%

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2014, full cash values up to $141,385 on commercial, industrial and agricultural personal property are exempt from taxation. For tax year 2013, full cash values up to $133,868 on commercial, industrial and agricultural personal property were exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18.5% for tax year 2015 and further reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that these tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject

to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the City, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Property Valuations

The following table lists various property valuations for the City for the current fiscal year.

Valuations for 2014-15 Fiscal Year

Estimated Actual Valuation (a)	$9,500,554,715
Net Secondary Assessed Valuation	1,148,164,650
Net Primary Assessed Valuation	1,095,616,087

(a) Calculated value of actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparisons and Trends

The information set forth below is shown to indicate the ratio between secondary assessed values and estimated actual values for the City, as well as changes in the net secondary assessed valuations of the City and overlapping municipality units on a comparative basis. The basis of property assessment for these years is shown under "Ad Valorem Taxes - Tax Procedures."

City of Glendale
Net Secondary Assessed Value and Estimated
Actual Full Cash Value Comparisons (a)

Fiscal Year	Net Secondary Assessed Valuation	Estimated Actual Valuation (b)	Net Secondary Assessed Valuation as a Percentage of the Estimated Actual Valuation
2014-15	$1,148,164,650	$9,500,554,715	12.09%
2013-14	1,050,893,890	8,460,156,933	12.42%
2012-13	1,149,264,817	9,079,552,277	12.66%
2011-12	1,313,557,625	10,332,582,284	12.71%
2010-11	1,753,569,411	13,531,334,149	12.96%

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.
(b) Actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparison (a)

Fiscal Year	City of Glendale	Percent Change	Maricopa County	Percent Change	State of Arizona	Percent Change
2014-15	$1,148,164,650	9.26%	$35,079,646,593	8.84%	$55,352,051,074	5.24%
2013-14	1,050,893,890	(8.56%)	32,229,006,810	(6.31%)	52,594,377,492	(6.54%)
2012-13	1,149,264,817	(12.51%)	34,400,455,716	(11.25%)	56,271,814,583	(8.80%)
2011-12	1,313,557,625	(25.09%)	38,760,296,714	(22.02%)	61,700,292,915	(18.43%)
2010-11	1,753,569,411	(17.71%)	49,707,952,123	(14.35%)	75,643,290,656	(12.59%)

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

Net Secondary Assessed Valuation by Property Classification

The following table shows a breakdown of the secondary assessed valuation by property classification for the City for the last five years:

	Property Classification	Net Secondary Assessed Valuation (a) 2011	2012	2013	2014	2015
1	Mining, Utilities, Commercial	$705,183,990	$523,112,818	$457,931,612	$399,921,841	$388,607,342
2	Agricultural & Vacant	82,019,663	51,691,663	34,511,646	29,886,641	38,792,733
3	Owner Occupied	752,539,243	570,472,083	508,535,638	452,907,081	515,232,088
4	Rented Residential, Residential Common Areas	207,240,186	161,780,917	141,682,436	162,535,615	200,044,976
5	Railroad, Private Car Companies, Flight Properties	4,353,016	4,054,796	4,178,098	3,346,730	3,629,388
6	Noncommercial Historic, Foreign Trade Zones	2,233,313	2,441,900	2,422,240	2,293,330	1,855,942
7	Commercial Historic	0	0	0	0	0
8	Residential Historic	0	0	0	0	0
9	Improvements on federal, state, county or municipal property	0	3,447	3,145	2,650	2,179
		$1,753,569,411	$1,313,557,625	$1,149,264,817	$1,050,893,890	$1,148,164,650

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: State of Arizona, Department of Revenue.

Estimated Net Secondary Assessed Valuations of Top Ten Taxpayers (a)

Shown below are the top ten property taxpayers located within the City, an estimate of their 2014-15 net secondary assessed value and their relative proportion of the City's net secondary assessed value.

Taxpayer	Type of Property	2014-15 Net Secondary Assessed Valuation	As % of City's Total Secondary Assessed Valuation
Arizona Public Service Company	Electric Utility	$17,899,515	1.56%
VHS of Arrowhead Inc.	Health Care	11,534,968	1.00
Arrowhead Towne Center LLC	Shopping Center	9,624,526	0.84
Thunderbird School of Global Management	Education	7,588,400	0.66
Wal-Mart Stores Inc.	Retail	7,180,160	0.63
Qwest Corporation	Telecommunications	6,421,764	0.56
New Westgate LLC	Office Buildings	6,079,476	0.53
JQH-Glendale AZ Development LLC	Hotel	5,700,000	0.50
Southwest Gas Corporation (T&D)	Gas Utility	4,852,106	0.42
Stadium Development LLC	Developer	4,436,709	0.39
	TOTAL	$81,317,624	7.08%

(a) Some of these taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, the Financial Advisor, Bond

Counsel, Underwriter's Counsel, or the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Special Note: The Salt River Project Agricultural Improvement and Power District assessed valuation is not reflected in the total assessed valuation of the City of Glendale. The Project is subject to a "voluntary contribution" in lieu of ad valorem taxation.

Source: Maricopa County Treasurer's Office and Assessor's Office and the City of Glendale.

Record of Real and Secured Property Taxes Levied and Collected

Property taxes are levied and collected on all taxable property within the City and are certified by the Treasurer of the County. The following table sets forth the City's real and secured personal property tax collected year-to-date for the current fiscal year and for the past five full fiscal years.

		Collected to June 30 End of Tax Fiscal Year (a)		Total Collections (b)	
Fiscal Year	Tax Levy(c)	Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2014-15	$24,429,111	(d)	(d)	$2,892,515	11.84%
2013-14	23,942,746	$23,490,204	98.11%	23,620,453	98.65%
2012-13	21,840,578	21,295,512	97.50%	21,523,328	98.55%
2011-12	20,787,346	20,089,536	96.64%	20,466,925	98.46%
2010-11	27,534,316	26,469,260	96.13%	26,944,122	97.86%
2009-10	33,616,837	32,259,666	95.96%	33,130,255	98.55%

(a) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates unless the full year tax is paid by December 31. Penalties for delinquent payments are not included in the above collections figures. See "PROPERTY TAXES - Tax Procedures" herein.
(b) Reflects collections made through October 24, 2014, against current and prior levies.
(c) Tax levy amount shown is based on the original levy set by the County and does not reflect adjustments.
(d) In the process of collection.

Source: Maricopa County Treasurer's Office.

Tax Rate Data

The tax rates provided below reflect the total property tax rate levied by the City. As such, the rates are the sum of the tax rate for debt service payments, which is levied against the City's secondary assessed value, and the tax rate for all other purposes, which is levied against the primary assessed value within the City.

Fiscal Year	City's Primary Tax Rate Per $100 Assessed	City's Secondary Tax Rate Per $100 Assessed	City's Total Tax Rate Per $100 Assessed
2014-15	$0.4896	$1.6605	$2.1501
2013-14	0.4974	1.7915	2.2889
2012-13	0.2252	1.6753	1.9005
2011-12	0.2252	1.3699	1.5951
2010-11	0.2252	1.3699	1.5951

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values,* Arizona Tax Research Foundation.

Debt Limitation

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a city's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's net secondary assessed valuation. In the following computation of the City's borrowing capacity, general obligation bonds that are to be supported from enterprise funds are included in the appropriate category.

Water, Sewer, Light, Parks and Open Space, Transportation and Public Safety Purpose Bonds		All Other General Obligation Bonds	
20% Constitutional Limitation	$229,632,930	6% Constitutional Limitation	$68,889,879
Direct General Obligation Bonds Outstanding (a)	144,930,000	Direct General Obligation Bonds Outstanding (a)	2,880,000
Unused 20% Limitation Borrowing Capacity	$84,702,930	Unused 6% Limitation Borrowing Capacity	$66,009,879

(a) The Direct General Obligation Bonds Outstanding reflects the defeasance of the Bonds Being Refunded and the issuance of the Bonds. Excludes debt service fund balances.

Outstanding Bonded Indebtedness

The following table lists the outstanding General Obligation Bonds for the City.

Direct General Obligation Bonded Debt[2]

Purpose	Year Issued	Original Amount	Outstanding Portion Subject to 6% Limit	Outstanding Portion Subject to 20% Limit	Total Principal Outstanding
Various Purpose G.O. Bonds	2003	$66,400,000	None	$4,335,000	$4,335,000
Various Purpose G.O. Bonds	2004	36,645,000	None	14,615,000	14,615,000
Various Purpose G.O. Bonds	2005	11,960,000	$1,395,000	None	1,395,000
Various Purpose G.O. Bonds	2006	29,365,000	335,000	15,650,000	15,985,000
Refunding Bonds	2006	9,065,000	None	2,010,000	2,010,000
Various Purpose G.O. Bonds	2007	61,000,000	None	37,155,000	37,155,000
Various Purpose G.O. Bonds	2009	41,650,000	1,150,000	35,340,000	36,490,000
Refunding Bonds	2010	38,300,000	None	35,825,000	35,825,000
Total Direct General Obligation Bonded Debt			$2,880,000	$144,930,000	$147,810,000
Net General Obligation Bonded Debt					$147,810,000

Outstanding Water and Sewer Revenue Bonded Debt

The following table lists the outstanding Water and Sewer Revenue Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Water and Sewer Obligations	2006	$80,000,000	$65,285,000
Water and Sewer Obligations	2007	44,500,000	35,305,000
Water and Sewer Obligations	2008	65,500,000	50,930,000
Water and Sewer Obligations	2010	25,685,000	25,685,000
Water and Sewer Obligations	2012	77,635,000	75,910,000
Total Water and Sewer Revenue Bonded Debt			$253,115,000

Outstanding Street and Highway User Revenue Bonded Debt

The following table lists the outstanding Street and Highway Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Street & Highway User Revenue Bonds	2006	$15,745,000	$3,700,000
Total Street and Highway User Revenue Bonded Debt			$3,700,000

Outstanding Transportation Excise Tax Revenue Bonded Debt

The following table lists the outstanding Transportation Excise Tax Revenue Obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Transportation Excise Tax Revenue Obligations	2007	$109,110,000	$88,015,000
Total Transportation Excise Tax Revenue Bonded Debt			$88,015,000

Outstanding Excise Tax Revenue Bonded Debt

The following table lists the outstanding Excise Tax debt obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Senior Lien Excise Tax Bonds			
Senior Lien Bonds (Taxable Series 2003B)	2003	$105,260,000	$94,620,000
Senior Lien Bonds (Series 2006A)	2006	33,250,000	24,145,000
Senior Lien Bonds (Series 2008A)	2008	32,315,000	32,220,000
Senior Lien Bonds (Series 2008B)	2008	52,780,000	48,835,000
Senior Lien Bonds (Taxable Series 2008C)	2008	9,140,000	1,000,000
Senior Lien Bonds (Series 2012A)	2012	8,665,000	8,665,000
Senior Lien Refunding Bonds (Series 2012B)	2012	39,620,000	39,620,000
Total Senior Lien Excise Tax Bonds			*$249,105,000*
Subordinate Lien Excise Tax Bonds			
Subordinate Lien Refunding Bonds (Series 2002B)	2002	5,055,000	5,055,000
Subordinate Lien Refunding Bonds (Series 2003D)	2003	7,250,000	7,250,000
Subordinate Lien Refunding Bonds (Series 2012C)	2012	183,405,000	183,405,000
Subordinate Lien Refunding Bonds (Taxable Series 2012D)	2012	16,850,000	14,770,000
Total Subordinate Lien Excise Tax Bonds			*$210,480,000*
		Total Other Excise Tax Revenue Bonded Debt	$459,585,000

[1] Does not include debt paid from Unrestricted Excise Taxes.

[2] The City has voter authorization to issue up to $362,839,000 of general obligation bonds as of June 30, 2014. The City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied. [Confirm: The City does not expect that any sequester of federal subsidies resulting from the Budget Control Act of 2011 with respect to Build America Bonds would have a material adverse effect on its ability to pay general obligation bond debt service.]

[Remainder of page intentionally left blank.]

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding (a)

The following table lists the annual debt service requirements of the City's outstanding general obligation debt.

Fiscal Year Ending	Outstanding General Obligation Debt Service Requirements		Direct Payments (b)	Plus: The Bonds		Less: Enterprise Supported Debt*(d)	Non-Enterprise General Obligation Requirements*(e)
	Principal	Interest		Principal*	Interest (c)		
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							

(a) Rows may not add due to rounding.

(b) Reflects payments anticipated to be received by the City from the United States Treasury (the "Direct Payments") in association with the Series 2010B Bonds. These bonds were issued as "Build America Bonds," for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government, subject to any reductions in such amounts made by the federal government. In fiscal year 2012-13 and each subsequent fiscal year to date, the federal government has reduced the subsidy payments to the interest payments and it is expected that such reductions will continue in the current and future years until altered by the federal government.

(c) The first interest payment date is July 1, 2015*. Interest is estimated.

(d) Represents general obligation bonds for which the debt service is currently paid, and is anticipated to continue to be paid, from various enterprise fund revenues of the City.

(e) Does not reflect amounts held in reserve in the City's Debt Service Fund. As of August 31, 2014, such amounts were [$30.3 million (unaudited)].

* Preliminary, subject to change.

Net Direct and Overlapping General Obligation Bonded Debt

Overlapping bonded debt figures were compiled from information obtained from the County Treasurer's office and individual jurisdictions. A breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, net secondary assessed valuation and combined tax rate per $100 assessed valuation follows. Outstanding bonded debt is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale.

The applicable percentage of each jurisdiction's assessed valuation which lies within the City's boundaries (see the "Approximate Percent" column below) was derived from information obtained from the County Assessor's Office.

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to City of Glendale		2014-15 Combined Tax Rate Per $100 Assessed (b)
			Approx. Percent	Amount	
State of Arizona (c)	$52,594,377,492	None	2.88%	None	$0.5123(d)
Maricopa County	35,079,646,593	None	4.64%	None	1.5157(e)
Maricopa Community College District	35,079,646,593	$654,190,000	4.64%	$30,354,888	1.5187
Western Maricopa Education Center (West-Mec)	13,001,468,671	59,045,000	8.45%	4,987,292	0.0810
Washington Elementary School District No. 6	1,142,089,326	67,475,000	2.67%	1,800,228	5.7015
Glendale Elementary School District No. 40	261,008,520	21,040,000	99.13%	20,856,074	6.4671
Alhambra Elementary School District No. 68	272,908,842	80,000	18.29%	14,636	7.0020
Litchfield Elementary School District No. 79	652,775,053	30,000,000	0.11%	32,157	3.7780
Pendergast Elementary School District No. 92	271,309,761	27,130,000	24.23%	6,574,163	7.1900
Peoria Unified School District No. 11	1,471,213,352	220,825,000	20.50%	45,278,209	7.2708
Dysart Unified School District No. 89	1,131,758,071	167,605,000	0.06%	108,299	7.1239
Deer Valley Unified School District No. 97	2,202,994,012	190,775,000	19.98%	38,116,084	6.4789
Glendale Union High School District No. 205	1,403,097,846	109,690,000	20.61%	22,608,613	4.4189
Phoenix Union High School District No. 210	4,372,062,126	295,670,000	1.14%	3,376,426	4.6196
Tolleson Union High School District No. 214	945,905,222	43,300,000	6.95%	3,009,514	4.5348
Agua Fria Union High School District No. 216	975,254,176	48,970,000	0.07%	35,134	4.2005
City of Glendale (f)	**1,148,164,650**	**147,810,000**	**100.00%**	**147,810,000**	**2.1501**
Total Net Direct and Overlapping General Obligation Bonded Debt				**$309,364,891***	$74.9056

(a) Includes general obligation bonds outstanding less general obligation bonds supported from enterprise revenues. Does not include the Salt River Project Agricultural Improvement and Power District general obligation bonded debt. Such debt has been refunded in advance of maturity and is secured for payment by government securities held in an irrevocable trust.
Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of

* Preliminary, subject to change.

the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% is interest bearing and the remaining 27% is non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of secondary assessed valuation, of which fourteen cents is being currently levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

The following table lists general obligation bonds that are authorized, but unissued, for each of the overlapping jurisdictions.

Jurisdiction	Authorized But Unissued General Obligation Bonds
City of Glendale	$362,839,000
Western Maricopa Education Center (West-Mec)	14,900,000
Washington Elementary School District No. 6	35,000,000
Glendale Elementary School District No. 40	9,200,000
Litchfield Elementary School District No. 79	9,675,000
Pendergast Elementary School District No. 92	8,510,000
Peoria Unified School District No. 11	108,800,000
Dysart Unified School District No. 89	67,960,000
Deer Valley Unified School District No. 97	158,315,000
Glendale Union High School District No. 205	8,435,000
Phoenix Union High School District No. 210	105,000,000
Agua Fria Union High School District No. 216	9,300,000

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity and the tax rate for all other purposes such as maintenance and operation and capital outlay which is based on the primary assessed valuation of the entity.

(c) Net secondary assessed valuation and combined tax rates for the State of Arizona are for fiscal year 2013-14, as such data is not currently available for fiscal year 2014-15.

(d) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2013-14 has been set at $0.5123 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276. The monies received from this tax are distributed to school districts in the State.

(e) The tax rate includes the $1.3209 county tax rate, the $0.1392 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the Maricopa County Free Library District. It should be noted that the County Flood Control District does not levy taxes on real property.

(f) Includes outstanding general obligation debt as of October 1, 2014; does not include certain outstanding City Revenue Bonds and Obligation previously issued by the City and payable from revenue sources other than property taxes.

Net Direct and Overlapping General Obligation Bonded Debt Ratios

The City's direct and overlapping general obligation bonded debt is shown below on a per capita basis and as a percent of the City's net secondary assessed value and estimated actual value.

	Per Capita Net Debt (Pop. @ 231,109 (a))	As Percent of City's 2014-15 Net Secondary Assessed Valuation ($1,148,164,650)	As Percent of City's 2014-15 Estimated Actual Valuation ($9,500,554,715)
Net Direct General Obligation Bonded Debt ($147,810,000*) (b)	$2,243.97	12.87%	1.56%
Net Direct and Overlapping General Obligation Bonded Debt ($309,364,891*) (c)	$4,696.60	26.94%	3.26%

(a) The population count is provided by the City of Glendale Planning Department. See "POPULATION STATISTICS" table on page A-1.

(b) Excludes approximately [$6,485,000] of general obligation bonds paid, or to be paid, by revenues derived from the City's Water and Sewer Fund.

(c) Overlapping debt from "DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT" table on page A-15.

Source: City of Glendale, Maricopa County Treasurer's Office

OTHER INDEBTEDNESS AND OBLIGATIONS

Lease Purchase Financing

The City has entered into lease-purchase agreements for the acquisition of vehicles, landfill equipment, computer equipment and other equipment. These agreements are renewable annually at the option of the City, with payments due thereunder to be annually budgeted and encumbered in the City's General Fund, or in the case of certain sanitation equipment, in the Sanitation Enterprise Fund. Assuming that these agreements are not terminated or prepaid, the City's annual budget requirements to service these agreements would be as follows:

Lease-Purchase Agreements
City of Glendale, Arizona
(Thousands)

Fiscal Year	Annual Capital Lease Requirements
2015	$1,803,454
2016	3,358,809
2017	3,307,215
2018	3,307,115
2019	1,178
Total Minimum Lease Payments	11,777,771
Less: Amount Representing Interest	(1,417,061)
Present Value of Net Minimum Lease Payments	$10,360,710

Source: City of Glendale Finance Department.

As illustrated in [Note X.I] in Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", the City has other obligations in the amount of $_____ outstanding as of June 30, 2014.

* Preliminary, subject to change.

PENSION AND RETIREMENT PLANS

Employee Retirement Systems and Pension Plans and Other Post-Employment Benefits

The City contributes to three separate defined benefit pension plans for the benefit of all full-time employees and elected officials, two of the plans are described fully below. **Please refer to ["Note XVII"] of Appendix [__] hereto for a more detailed description of these plans and the City contributions to the various plans**.

The Arizona State Retirement System ("ASRS"), a cost-sharing, multiple employer defined benefit plan, has reported increases in its unfunded liabilities. The most recent annual reports for the ASRS may be accessed at: https://www.azasrs.gov/content/annualreports. The increase in ASRS' unfunded liabilities is expected to result in increased future annual contribution to ASRS by the City and its employees.

For the year ended June 30, 2014, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 11.54% (10.70% for retirement, 0.60% for health insurance premiums, and 0.24% long-term disability) of the members' annual covered payroll. The ASRS ACR rate was 9.20%. The City's employer contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were $6,307, $6,346, and $6,876, respectively, which were equal to the required contributions for the year. The City's employee contributions to ASRS were equal to the employers required contributions.

Additionally, other enacted State legislation made changes to how ASRS operates, effective July 1, 2011, which includes requiring employers to pay an alternative contribution rate for retired employees of ASRS that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a Defined Contribution and Retirement Study Committee (as defined in the legislation) that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.]

The Arizona Public Safety Personnel Retirement System ("PSPRS"), an agent multiple-employer defined benefit plan that covers public safety personnel who are regularly assigned to hazardous duties, for which the Arizona State Legislature establishes and may amend active plan members' contribution rate, has reported increases in its unfunded liabilities. The most recent annual reports for the PSPRS may be accessed at http://www.psprs.com/sys_psprs/AnnualReports/cato_annual_rpts_psprs.htm. The increase in the PSPRS's unfunded liabilities is expected to result in increased future annual contributions to PSPRS by the City and its employees, however the specific impact on the City, or on the City's and its employees' future annual contributions to the PSPRS, cannot be determined at this time.

For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 24.54% for fire and 27.98% for police, the aggregate of which is the actuarially required amount. The PSPRS ACR rates for both Fire and Police were 17.07%. The health insurance premium portion of the contribution for fire and police members was computed as $125 and $280 for the year ended June 30, 2013, respectively.

New Reporting Requirements. Governmental Accounting Standards Board ("GASB") Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, improves financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement requires the use of carrying values to measure the assets and liabilities in a government merger and requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged.

GASB Statement No. 70, Accounting and Reporting for Nonexchange Financial Guarantees, improves financial reporting by state and local governments that extend and receive nonexchange financial

guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. In addition, this statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

Other Post-Employment Benefits

In fiscal year 2007-08, the City implemented GASB Statement No. 45, Accounting by Employers for Post-Employment Benefits Other than Pensions ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. Plan benefits covered by GASB 45 must be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, the reporting of such costs as a financial statement liability.

Other than the retirement plans, the City is not required to provide post-employment benefits. However, the City does allow all of its retired employees to participate in the health care and life insurance plan provided to active employees, and at the same rates, except that beginning June 30, 2014 the City no longer pays any portion of the retiree or their family member's premiums. Active employees' rates are subsidized by the City as their employer. The City engaged an actuary to perform calculations of the City's liability with respect to other post-employment benefits. In its report dated September 22 2014, the actuary determined that the City's liability for other post-employment benefits that Governmental Accounting Standards Board Statement 45 requires the City to include in its comprehensive annual financial statement balance sheet was approximately $65.8 million at June 30, 2014, which includes amortization of the unfunded $69.5 million actuarial liability over 30 years.

OTHER FINANCIAL MATTERS

Insurance

In January 1987, the City Council established a risk management fund for torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster. The City's risk management fund purchases commercial insurance for property, aviation, Inland Marine, errors and omissions, boiler and machinery, special events and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with $1 million of self-insurance retention for claims incurred on or after July 1, 1998.

Funds receiving insurance coverage pay monthly premiums to the risk management fund based upon an actuarial review. Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of $500 for each workers' compensation claim and purchases commercial insurance for claims in excess of $500. Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon a budget model taking into consideration prior loss experience, staffing level, and the National Council on Compensation insurance workers' compensation manual rates. Premium payments to insurance carriers are made directly from the workers' compensation fund. There have been no settlements paid in excess of insurance in any of the past three years. See Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", Note VII.B for further information.

In the fall of 2012, the internal auditor of the city performed an audit on the Risk Management and Workers Compensation trust funds. The audit noted some payments out of the trust funds that may not have been appropriate uses of the trust funds. The City Manager met with City Council to detail all findings in the audit in December, 2012. Subsequently, management addressed all of the audit findings and presented those results to the Council in two meetings, November 19, 2013 and June 4, 2014. Currently, the Risk Management and Workers Compensation Funds are above the 55% confidence level.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2014

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASEAGREEMENT

[To be provided by Special Counsel]

APPENDIX D

FORM OF BOND COUNSEL OPINION

2015A Obligations

[Closing Date]

The Bank of New York Mellon Trust
Company, N.A.

Re: Excise Tax Revenue Refunding Obligations, Series 2015A Representing Proportionate Interests of the Owners Thereof in Purchase Price Payments to be Made by City of Glendale, Arizona, to The Bank of New York Mellon Trust Company, N.A., as Trustee

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by The Bank of New York Mellon Trust Company, N.A. (the "Trustee") of the Excise Tax Revenue Refunding Obligations, Series 2015A (the "2015A Obligations"), pursuant to a Trust Agreement, dated as of January 1, 2015 (the "Trust Agreement"), between the Trustee and City of Glendale, Arizona (the "City"). Each of the 2015A Obligations is an undivided, participating, proportionate interest in certain payments (the "Payments") to be made by the City pursuant to a Purchase Agreement, dated as of January 1, 2015 (the "Purchase Agreement"), between the Trustee as seller and the City as buyer to refinance the payments owed by the City with respect to certain 2015A Obligations previously issued to finance or refinance certain public improvements of the City. The Payments are secured by a senior lien on and pledge of certain excise, transaction privilege, franchise and income taxes which the City collects or which are allocated or apportioned to the City by the State of Arizona (collectively, the "Unrestricted Excise Taxes"). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the City Attorney delivered even date herewith as to the matters provided therein.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The 2015A Obligations, the Trust Agreement and the Purchase Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally; except to the extent that the enforceability thereof and the rights thereunder may be limited by the application of general principles of equity and, as to the Trust Agreement, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The City is obligated to make the Payments solely from the Unrestricted Excise Taxes and other moneys pledged and assigned pursuant to the Trust Agreement to secure such Payments. The Trust Agreement creates the pledge which it purports to create in the pledged revenues and of other moneys in the funds and accounts created by the Trust Agreement (other than the Rebate Fund), which pledge will be perfected only as to the revenue and

other moneys on deposit in the funds and accounts created by the Trust Agreement and held by or on behalf of the Trustee. Such Payments are not secured by an obligation or pledge of any moneys raised by taxation; the 2015A Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the Payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Subject to the assumption stated in the last sentence of this paragraph, the portion of each Payment made by the City pursuant to the Purchase Agreement, denominated and comprising interest with respect to the 2015A Obligations and received by the beneficial owners of the 2015A Obligations (the "Tax-Exempt Interest Portion"), is excludible from the gross income of the beneficial owners thereof for federal income tax purposes. Furthermore, the Tax-Exempt Interest Portion is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however the Tax-Exempt Interest Portion is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. (We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the Tax-Exempt Interest Portion on, or ownership or disposition of, the 2015A Obligations.) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the execution and delivery of the 2015A Obligations in order that the Tax-Exempt Interest Portion not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Tax-Exempt Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Tax-Exempt Interest Portion. In rendering the opinion expressed in this paragraph, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the execution and delivery of the 2015A Obligations in order that the Tax-Exempt Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Tax-Exempt Interest Portion is so excludable for federal income tax purposes, the Tax-Exempt Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the receipt or accrual of such interest on, or ownership or disposition of, the 2015A Obligations.)

In rendering the foregoing opinions, we have assumed and relied upon compliance with the City's covenants and the accuracy, including with respect to the application of the proceeds of the 2015A Obligations being refunded and the 2015A Obligations, respectively, which we have not independently verified, of the City's representations and certifications contained in the transcript. The accuracy of those representations and certifications, and the City's compliance with those covenants, may be necessary for the Tax-Exempt Interest Portion to be and remain excluded from gross income for federal and State income tax purposes and for certain of the other tax effects stated above. Failure to comply with certain requirements subsequent to delivery of the 2015A Obligations could cause Tax-Exempt Interest Portion to be included in gross income for federal and State income tax purposes retroactively to the date of delivery of the 2015A Obligations. We have also relied upon the Verification Report of _____, certified public accountants, as to the adequacy of the 2015A Obligations issued or guaranteed by the United States Government in which proceeds of the 2015A Obligations have been invested to provide for retirement of the obligations being refunded and as to the yield on such investments and the yield on the 2015A Obligations.

The rights of the owners of the 2015A Obligations and the enforceability of those rights under the 2015A Obligations and the documents referred to above may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

2015B Obligations

[Closing Date]

The Bank of New York Mellon Trust
Company, N.A.

Re: Excise Tax Revenue Refunding Obligations, Taxable Series 2015B Representing Proportionate Interests of the Owners Thereof in Purchase Price Payments to be Made by City of Glendale, Arizona, to The Bank of New York Mellon Trust Company, N.A., as Trustee

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by The Bank of New York Mellon Trust Company, N.A. (the "Trustee") of the Excise Tax Revenue Refunding Obligations, Taxable Series 2015B (the "2015B Obligations"), pursuant to a Trust Agreement, dated as of January 1, 2015 (the "Trust Agreement"), between the Trustee and City of Glendale, Arizona (the "City"). Each of the 2015B Obligations is an undivided, participating, proportionate interest in certain payments (the "Payments") to be made by the City pursuant to a Purchase Agreement, dated as of January 1, 2015 (the "Purchase Agreement"), between the Trustee as seller and the City as buyer to refinance the payments owed by the City with respect to certain 2015B Obligations previously issued to finance or refinance certain public improvements of the City. The Payments are secured by a senior lien on and pledge of certain excise, transaction privilege, franchise and income taxes which the City collects or which are allocated or apportioned to the City by the State of Arizona (collectively, the "Unrestricted Excise Taxes"). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the City Attorney delivered even date herewith as to the matters provided therein.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The 2015B Obligations, the Trust Agreement and the Purchase Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally; except to the extent that the enforceability thereof and the rights thereunder may be limited by the application of general principles of equity and, as to the Trust Agreement, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The City is obligated to make the Payments solely from the Unrestricted Excise Taxes and other moneys pledged and assigned pursuant to the Trust Agreement to secure such Payments. The Trust Agreement creates the pledge which it purports to create in the pledged revenues and of other moneys in the funds and accounts created by the Trust Agreement (other than the Rebate Fund), which pledge will be perfected only as to the revenue and other moneys on deposit in the funds and accounts created by the Trust Agreement and held by or on behalf of the Trustee. Such Payments are not secured by an obligation or pledge of any moneys raised by taxation; the 2015B Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the Payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. We express no opinion as to any tax consequences regarding the Taxable 2015B Obligations for federal or State of Arizona tax purposes.

In rendering the foregoing opinions, we have also relied upon the Verification Report of _____, certified public accountants, as to the adequacy of the 2015B Obligations issued or guaranteed by the United States Government in which proceeds of the 2015B Obligations have been invested to provide for retirement of the obligations being refunded.

The rights of the owners of the 2015B Obligations and the enforceability of those rights under the 2015B Obligations and the documents referred to above may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CITY OF GLENDALE ("CITY")
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Glendale, Arizona (the "City") in connection with the execution and delivery of $_____ principal amount of Excise Tax Revenue Refunding Obligations, Series 2015A (the "Tax-Exempt Obligations") and $_____ principal amount of Excise Tax Revenue Refunding Obligations, Taxable Series 2015B (the "Taxable Obligations" and together with the Tax-Exempt Obligations, the "Obligations") in each case representing undivided proportionate interests in installment payments to be made by the City to _____, as trustee (the "Trustee") pursuant to a First Purchase Agreement, dated as of January 1, 2015 between the City and the Trustee (the "Purchase Agreement"). The Obligations are being issued pursuant to a First Trust Agreement, dated as of January 1, 2015 (the "Trust Agreement") between the City and the Trustee.

The City covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Obligations at the time the Obligations are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Obligations.

2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. As of the date of this Undertaking, information regarding submissions to EMMA is available at http://emma.msrb.org/submission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Listed Event" means the occurrence of any of the events with respect to the Obligations set forth in Exhibit II.

"Listed Events Disclosure" means dissemination of a notice of a Listed Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an Underwriter in the primary offering of the Obligations.

"Purchase Agreement" means First Purchase Agreement, dated as of January 1, 2015, between the City and the Trustee, in its separate capacity as "Seller".

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Arizona.

"Undertaking" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Obligations is _____. The Final Official Statement relating to the Obligations is dated January ___, 2015 (the "Final Official Statement").

4. Annual Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Information and its Audited Financial Statement, if any, (in the form and by the dates set forth in Exhibit I) through EMMA. The City is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided through EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner Listed Events Disclosure through EMMA. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Obligations or defeasance of any Obligations need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default under the Purchase Agreement or the Trust Agreement. The sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Obligations, as determined by a counsel or other entity unaffiliated with the City.

8. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Purchase Agreement or Trust Agreement. The City shall give notice in a timely manner if this Section is applicable through EMMA.

9. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

12. Recordkeeping. The City shall maintain records of all Annual Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Governing Law. This Undertaking shall be governed by the laws of the State.

CITY OF GLENDALE, ARIZONA

By:_____
Its: Chief Financial Officer
Address: 5850 West Glendale Avenue
Glendale, Arizona

Date: January ___, 2015

Exhibit I

Annual Financial Information and Timing and Audited Financial Statements

"Annual Financial Information" means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION/TABLE	PAGE
[Table 5 - City of Glendale Unrestricted Excise Tax Receipts	18
Table 6(a) - Senior Lien Debt Service Requirements	19
Table 6(b) – Subordinate Lien Debt Service Requirements	20
Table 7 - Excise Tax Revenues and Estimated Senior and Subordinate Lien Debt Service Requirements]	21

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; the Final Official Statement need not be available through EMMA or the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each through EMMA, on or before February 1 of each year, commending February 1, 201__ for information as of the previous June 30 (unless otherwise specified). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included and the Audited Financial Statements shall be subsequently provided within 30 days after their availability to the City.

Audited Financial Statements will be prepared according to GAAP standards, as applied to governmental units as modified by State law.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

Exhibit II

Events with respect to the Bond and Parity Obligations for which Listed Events Disclosure is Required

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity provider, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other notices or determinations, in each case, with respect to the tax status of the Tax-Exempt Obligations.

7. Modifications to the rights of security holders, if material.

8. Obligation calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution or sale of property securing repayment, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Whether event listed above subject to the standard "material" would be material shall be determined under applicable federal securities laws.

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX F "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK ("DTC"). NO REPRESENTATION IS MADE BY THE CITY AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the 2015 Obligations. The 2015 Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation certificate will be issued for each maturity of each series of the 2015 Obligations, totaling in the aggregate the principal amount of each series of the 2015 Obligations, and will be deposited with DTC. The owners of book-entry interest will not receive or have the right to receive physical delivery of the 2015 Obligations.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2015 Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Obligations on DTC's records. The ownership interest of each actual purchaser of each 2015 Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in 2015 Obligations are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015 Obligations, except in the event that use of the book-entry system for the 2015 Obligations is discontinued.

To facilitate subsequent transfers, all 2015 Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015 Obligations with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015 Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Obligations are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2015 Obligations may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2015 Obligations, such as redemptions (if any), defaults, and proposed amendments to the 2015 Obligation documents. For example, Beneficial Owners of 2015 Obligations may wish to ascertain that the nominee holding the 2015 Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2015 Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2015 Obligations to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2015 Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015 Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments represented by the 2015 Obligations will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2015 Obligations at any time by giving reasonable notice to the Trustee or the City. Under such circumstances, in the event that a successor securities depository is not obtained, Obligation certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS OR TO INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2015 OBLIGATIONS UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2015 OBLIGATIONS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE 2015 OBLIGATIONS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2015 OBLIGATIONS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the 2015 Obligations, as nominee for DTC, references in this Official Statement to "Owner" or registered owners of the 2015 Obligations (other than with respect to the 2015 Obligations under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such 2015 Obligations.

When reference is made in this Official Statement to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Trustee to DTC only.

In the event that the Book-Entry-Only System is discontinued, the following provisions will apply: principal of the 2015 Obligations when due, will be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee. The transfer of the 2015 Obligations will be registrable and the 2015 Obligations may be exchanged at the designated corporate trust office of the Trustee upon the payment of any taxes or other governmental charges required to be paid with respect to such transfer or exchange.

City of Glendale, Arizona
Refinancing of Existing Bonds

November 24, 2014

RBC Capital Markets

Overview

- City staff, in conjunction with the City's Financial Advisor (RBC Capital Markets), regularly reviews the City's debt obligations for possible refinancing opportunities

- Based on current market interest rates, the opportunity exists to refinance various of the City's outstanding bonds for significant debt service savings

Type of Bonds	Financing Savings Benefit
Excise Tax Revenue Bonds	General Fund
General Obligation Bonds	Property Tax Levy
Water & Sewer Revenue Bonds	Water & Sewer Fund
Transportation Excise Tax Revenue Bonds	Transportation Fund

- Amount of savings dependent on bond market interest rates
  - Interest rates are at historically low levels
  - But pressure for interest rates to rise
  - And savings are fairly interest rate sensitive

- With Council approval, refinancing bonds expected to be sold in January

Steps Going Forward

- If approved by Council, City staff will work with Financial Advisor and Bond Counsel to prepare the refinancing issues for sale
  - Prepare necessary legal documents
  - Obtain bond ratings
  - Prepare offering prospectus or Preliminary Official Statement
  - Identify bond underwriters or bank purchaser to buy bonds
  - Prepare all required closing documentation
  - Close the bond financings

Excise Tax Revenue Bond Refinancing

- Bonds being considered for refinancing

Series	Existing Rates
2002B	5.000% - 5.375%
2003B Taxable	5.280%
2006A	4.250% - 5.000%
2008A	4.000% - 5.000%
2012D Subordinate	1.500% - 1.900%

- Expected rate on new refinancing bonds — 3.75% - 4.25%
- Estimated debt service savings (net of all costs)
  - Present Value Savings — $7,800,000 - $14,000,000
  - Savings as Percent of Refinanced Bonds — 6.20% - 11.20%
- Expected ratings — “A3” (Moody’s) / “AA+” (S&P)
- Estimated date of Sale — January 15, 2015

General Obligation Bond Refinancing

- Bonds being considered for refinancing

Series	Existing Rates
2003	2.000%
2004	4.125% - 5.000%
2006A	4.125% - 4.625%
2007	4.500% - 5.000%

- Expected rate on new refinancing bonds — 2.00% - 2.40%
- Estimated debt service savings (net of all costs)
  - Present Value Savings — $1,000,000 - $1,800,000
  - Savings as Percent of Refinanced Bonds — 4.25% - 5.00%
- Expected ratings — “A3” (Moody’s) /BBB+ (S&P)
- Estimated date of Sale — January 20, 2015

Water & Sewer Revenue Bond Refinancing

- Bonds being considered for refinancing

Series	Existing Rates
2006	4.125% - 5.000%
2007	4.375% - 5.000%
2008	4.125% - 5.000%

- Expected rate on new refinancing bonds — 2.60% - 3.05%
- Estimated debt service savings (net of all costs)
  - Present Value Savings — $5,000,000 - $8,600,000
  - Savings as Percent of Refinanced Bonds — 4.75% - 8.00%
- Expected ratings — “A1” (Moody’s) / “AA” (S&P)
- Estimated date of Sale — January 27, 2015

Transportation Excise Tax Revenue Bond Refinancing

- Bonds being considered for refinancing

Series	Existing Rates
2007	4.125% - 5.000%

- Expected rate on new refinancing bonds — 3.00% - 3.50%
- Estimated debt service savings (net of all costs)
  - Present Value Savings — $1,000,000 - $2,400,000
  - Savings as Percent of Refinanced Bonds — 3.50% - 7.50%
- Expected ratings — “A3”(Moody’s) / “AA” (S&P)
- Estimated date of Sale — January 29, 2015

Proposed Ordinances

- The proposed Ordinances for consideration by the Council authorize:
  - Issuance of refunding bonds to refinance all or a portion of bonds eligible to be refinanced
    - Refinancing must generate minimum savings net of all issuance costs of 2.5% of bonds being refinanced
  - City staff to review and execute all necessary legal documents to accomplish refinancings, including:
    - Bonds to refinance subject to Ordinance parameters
    - Selection of Bank Trustee, Registrar and Paying Agents for the Bonds
    - Selection of bond underwriters or bank purchaser to buy each of the bond issues

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File #: 14-433, **Version:** 1

ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF CITY OF GLENDALE, ARIZONA GENERAL OBLIGATION BONDS WITH THE SALE AND ISSUANCE OF CITY OF GLENDALE, ARIZONA GENERAL OBLIGATION REFUNDING BONDS

Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager or Chief Financial Officer to execute documents and take the necessary action to refinance a portion of City of Glendale, Arizona General Obligation bonds with City of Glendale, Arizona General Obligation refunding bonds in a par amount which under current bond market conditions savings is estimated to be $1.0 to $1.8 million. Representatives from RBC Capital Markets, LLC, the City's Financial Advisor, and Greenberg Traurig, LLP, the City's Bond Counsel, will be available for questions.

Background

During the FY14-15 Budget Workshops, Council directed staff to examine its contractual obligations and evaluate refinancing opportunities. On October 14, 2014, Council approved an agreement with RBC Capital Markets, LLC (RBC) to be the City's Financial Advisor. RBC subsequently identified several refinancing opportunities available to the City.

Subsequent to October 14, staff has worked closely with RBC and Greenberg Traurig, LLP, the City's Bond Counsel to develop the documentation and identify the structure of potential debt service cost savings through debt refinancing.

City of Glendale, General Obligation Bonds

General Obligation (G.O.) bonds are a common form of capital improvement financing used in Arizona and around the country. The City issues G.O. bonds to provide funds for the acquisition and construction of major City-owned facilities. City of Glendale G.O. bonds have been issued for both general governmental (non-enterprise) and enterprise activities.

G.O. bonds pledge the full faith and credit of the City and general governmental G.O. bonds are repaid through the levy of secondary property taxes while enterprise supported G.O. bonds are repaid from enterprise user fees. There are currently no enterprise supported G.O. bonds outstanding. G.O. bonds can only be issued if authorized through a bond election.

Currently, there is a total of $147,810,000 of outstanding G.O. bonds payable from secondary property taxes. The current debt service payments on the G.O. bonds are through FY29-30 with annual debt service costs reducing gradually from FY14-15 through FY21-22 from $25.7 million to $12.7. Starting in FY22-23 through FY29-30, the annual debt service averages $3.3 million per year.

Per the most recent Capital Improvement Plan (CIP), there is currently one notable project, the Parking Garage at Westgate, that has been identified as being financed with G.O. bonds within the next five years at a total cost of $45.0 million. Design of the garage is currently planned to begin in FY15-16 with completion of the project in early FY17-18.

Analysis

General Obligation Bond Refinancing

Eight series of G.O. bonds are outstanding, totaling $147,810,000, which financed various projects consistent with voter authorization. Based on an analysis by RBC, four series of G.O. bonds would currently provide debt service savings through a refinancing as follows:

- Series 2003 - Par amount available to refinance = $4,335,000
- Series 2004 - Par amount available to refinance = $14,615,000
- Series 2006A - Par amount available to refinance = $11,905,000
- Series 2007 - Par amount available to refinance = $24,785,000

It is important to note that debt service savings is conditional on bond market interest rates at the time of refinancing. As the market is subject to change, the City will only execute the transaction if net savings, after paying all costs of issuance, are realized at the time of the transaction. The proposed ordinance requires that the refinancing savings, net of all costs, shall equal at least 2.5% of the par amount of the bonds being refinanced. The debt service savings directly benefits the City's General Obligation Debt Service Fund and also allows restructuring of debt to include the planned $45.0 million debt issuance while minimizing the increase that may be necessary to secondary property tax levy.

In order to achieve the lowest cost of borrowing, The bonds will be sold to investors by a syndicate of bond underwriting firms (who in turn would sell the bonds to investors in the bond market) or to a bank purchaser as determined by the City Manager or Chief Financial Officer. In order to achieve the lowest cost of borrowing, City staff in conjunction with the City's Financial Advisor, will competitively solicit bond underwriters and banks to determine the most cost effective borrowing approach. It is anticipated that the sale and refinancing of the bonds will occur in January 2015.

Community Benefit/Public Involvement

Bond refinancing directly impacts the cost of borrowing (debt service costs) of the City and allows the City to structure debt service payments to its advantage. This is a complicated process involving City staff, the City's Financial Advisor, the City's Bond Counsel, and other financing participants. Financial advisors have a fiduciary responsibility to the City and are critical in structuring deals that minimize costs, create financial flexibility, or address financial challenges a City may face. Bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements are met and works closely with

City staff and the City's financial advisor to ensure relevant legal issues are addressed.

Budget and Financial Impacts

If savings cannot be realized, the bond refinancing will not take place. The debt service savings can only be calculated upon execution of the transaction currently anticipated for January 2015.

ORDINANCE NO. 2919 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GLENDALE, ARIZONA GENERAL OBLIGATION REFUNDING BONDS IN ONE OR MORE SERIES FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND CERTAIN OUTSTANDING BONDS AND TO PAY ALL NECESSARY LEGAL, FINANCIAL AND OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE SALE OF SAID BONDS; AUTHORIZING THE EXECUTION OF A BOND REGISTRAR AND PAYING AGENT AGREEMENT; AUTHORIZING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE UNDERTAKING, DEPOSITORY TRUST AGREEMENT AND CERTAIN OTHER DOCUMENTS AND THE TAKING OF CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE.

WHEREAS, the City of Glendale, Arizona (the "City") has heretofore issued, and there are now outstanding, among others, the general obligation bonds described in Schedule I attached hereto (such bonds or interest with respect thereto selected for refunding as provided herein being, the "Bonds Being Refunded"); and

WHEREAS, the Council of the City has determined that it is in the City's financial interest and expedient to sell General Obligation Refunding Bonds, in one or more series (the "Bonds") to refund the Bonds Being Refunded; and

WHEREAS, there has been submitted to the Council of the City at this meeting a proposed form of a preliminary official statement with respect to the Bonds (the "Preliminary Official Statement"), the final form of which, upon being completed and conformed to this Ordinance, will be the official statement with respect to the Bonds (the "Official Statement"); and

WHEREAS, there have been filed with the City Clerk proposed forms of the following documents:

(a) A Bond Registrar and Paying Agent Agreement to be dated on or before the date of delivery of the Bonds (the "Bond Registrar Agreement"), pursuant to which a qualified financial institution will act as Bond Registrar (as hereinafter defined); and

(b) A Continuing Disclosure Undertaking to be dated the date of Delivery of the Bonds (the "Undertaking"); and

(c) A Depository Trust Agreement to be dated on or before the date of delivery of the Bonds (the "Depository Trust Agreement"), pursuant to which a qualified financial institution will act as Depository Trustee;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Glendale, Arizona, as follows:

Section 1. *Purpose*. That for the purpose of providing funds to refund the Bonds Being Refunded and to pay all necessary legal, financial, and other associated costs of issuance in connection therewith, the City hereby authorizes the issuance of its General Obligation Refunding Bonds, in one or more series (the "Bonds") in an aggregate principal amount not to exceed the amount necessary to refund the Bonds Being Refunded and pay related costs of issuance.

Section 2. *Authorization of Bonds*. The Bonds shall be issued as fully registered bonds registered as to both principal and interest, in the denominations of $5,000 or any integral multiple thereof, and shall be dated the date of delivery of the Bonds.

Interest on the Bonds shall be payable on January 1 and July 1 of each year (the "Interest Payment Dates"), commencing July 1, 2015 (or such later date as may be provided for herein) until the principal amount has been paid or provided for. The Bonds shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from the date of delivery, or such other date as approved by the City Manager or Chief Financial Officer. Interest on the Bonds will be computed on the basis of a 360 day year of twelve 30-day months.

No Bonds shall be issued unless the Chief Financial Officer of the City determines that the weighted average maturity of the Bonds is at least seventy-five percent of the weighted average maturity of the Bonds Being Refunded. No Bonds shall be issued unless the Chief Financial Officer determines that the present value debt savings, net of all costs associated with the Bonds, is at least two and one-half percent (2.5%) of the principal amount of the Bonds Being Refunded.

Section 3. *Sale of Bonds.* The City Manager or the Chief Financial Officer are authorized to determine whether the Bonds shall be sold by negotiation to (a) an investment banking firm or syndicate of such firms or (b) private placement purchaser, in either case to be selected by the City Manager or the Chief Financial Officer (the "Purchasers") as provided in this Section. The City Manager or the Chief Financial Officer shall be authorized to award and sell the Bonds by negotiated sale in one or more series to the Purchasers in accordance with the terms of one or more Bond Purchase Agreements (as such term is hereinafter defined) at a price of not less than par plus accrued interest, after taking into account any compensation paid to the Purchaser and any original issue discount on individual maturities of Bonds in amounts determined by the City Manager or the Chief Financial Officer to be appropriate. The City Manager or the Chief Financial Officer shall make such award and negotiated sale by completing the Bond Purchase Agreements by inserting therein the aggregate principal amount of the Bonds, including the principal amounts of each series, if applicable, the amount necessary to refund the Bonds Being Refunded and related costs of issuance. In connection with any sale, the City

Manager or the Chief Financial Officer may determine the principal amount of Bonds maturing in each year (the final maturity to be not later than two years after the latest maturity date of the Bonds Being Refunded), the interest rates and the redemption provisions for the Bonds and may adjust the schedules of Bonds Being Refunded set forth in Schedule I hereto to the extent appropriate, including the addition to or substitution of, bonds reflected on Schedule I. The City Manager or the Chief Financial Officer may make provision for insurance and/or liquidity support of the Bonds, if the City Manager or the Chief Financial Officer determines that such adjustments and insurance would further improve the debt service savings to be effected by the issuance of the Bonds or marketability of the Bonds. Such determinations shall be included in the Bond Purchase Agreements. The amount of net premium associated with Bonds may not exceed the maximum amount permitted under Section 35-473.01G, Arizona Revised Statutes.

If bond insurance and/or liquidity support is obtained with respect to any of the Bonds, the City Manager or her designee is authorized to execute and deliver, on behalf of the City, appropriate agreements with the bond insurer and/or liquidity provider and the Bond Registrar with provisions concerning, without limitation, any of the following: (i) the terms of the bond insurance and/or liquidity support and the premium to be paid for it, (ii) procedures for payments under the bond insurance and/or liquidity support and reimbursement of amounts advanced including subrogation to the rights of bondholders paid, (iii) voting rights, (iv) remedies and (v) notices and providing of information with respect to the Bonds.

One or more Bond Purchase Agreements (collectively, the "Bond Purchase Agreements") providing for the sale of the Bonds to the Purchasers in a form comparable to that used for prior general obligation bonds of the City is hereby approved, it being hereby found and determined that the Bond Purchase Agreements are in the best interests of the City. The City Manager is hereby authorized to execute and deliver such Bond Purchase Agreements in such form, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such agreement being conclusive evidence of such approval.

Section 4. *Book-Entry*. The Bonds shall only be issued in book entry form, except as provided in Section 9 hereof, and (i) one certificate for each Bond maturity in typewritten form shall be registered in the name of the Depository (as defined herein) or its nominee, as registered owner, and immobilized in the custody of the Depository; (ii) the beneficial owners of the Bonds (the "Beneficial Owners") shall have no right to receive the Bonds in the form of physical securities; (iii) ownership of beneficial interests in the principal amounts of $5,000 or integral multiples thereof shall be shown by book entry on the system maintained and operated by the Depository and its participants, and transfers of the ownership of beneficial interest shall be made only by book entry by the Depository and its participants; and (iv) the Bonds as such shall not be transferable or exchangeable, except in transfer to another Depository or to another nominee of a Depository.

As provided in Section 9 hereof, the City and the Bond Registrar shall treat the Depository or its nominee in whose name the Bonds are registered in the Bond Registrar as the owner of the Bonds for all purposes. Accordingly, principal and interest payments will be paid to the Depository as the registered owner of the Bonds. All notices required by this Ordinance to be given to the registered owners of Bonds shall be given to the Depository as the registered owner of the Bonds. The transfer of principal and interest and of notices to the Beneficial

Owners will be the responsibility of the Depository and its Participants or other nominees of the Beneficial Owners. The City will not be responsible or liable for such transfers or the failure thereof or for maintaining, supervising or reviewing records of the Depository.

For the purposes of this Ordinance, "Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of beneficial interests in Bonds, and to effect transfers of such beneficial interests in the Bonds, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

Section 5. *Execution*. The Bonds shall be signed by the Mayor and attested by the City Clerk and countersigned by the City Treasurer (references in this Ordinance to such officers shall include persons acting in the capacity of such officers) in their official capacities. The signature of any or all of such officers may be facsimiles. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar (as defined in Section 6 below) as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Ordinance and is entitled to the security and benefit of this Ordinance.

Section 6. *Registrar and Paying Agent*. The City Manager or the Chief Financial Officer is authorized to appoint a qualified financial institution to serve as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Bonds. The Mayor, the City Manager or the Chief Financial Officer shall sign and deliver, and the City Clerk shall attest, on behalf of the City, the Bond Registrar Agreement, in substantially the form on file with the City Clerk with such additions, deletions and modifications not inconsistent with this Ordinance as the officer executing such agreement shall approve. The Chief Financial Officer is authorized and directed on behalf of the City to provide for payment of the services rendered and for reimbursement of expenses incurred from the proceeds of the Bonds to the extent available or from other funds lawfully available therefor.

Section 7. *Payment of Bonds*. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Bond Registrar as paying agent. Subject to Section 9 hereof, (a) principal and premium, if any, shall be payable when due upon presentation and surrender of the Bonds at the principal corporate trust office of the Bond Registrar and (b) interest on a Bond shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name the Bond was registered in the Bond Register, at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "regular record date") at that person's address appearing on the Bond Register (as defined in Section 8 below), or at such other address as is furnished to the Bond Registrar, in writing, by the registered owner before the regular record date. Any interest which is not timely paid or duly provided for shall cease to be payable to the person who is shown as the registered owner thereof (or of one or more predecessor bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar whenever monies

become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners not less than ten days prior thereto.

Section 8. *Registration and Exchange*. So long as any of the Bonds remain outstanding, the City will cause the Bond Registrar to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of Bonds as provided in this Section (the "Bond Register"). Subject to the provisions of Section 7 above, (a) the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Ordinance, (b) payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of that person, and (c) neither the City nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the City's liability upon the Bond, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the principal corporate trust office of the Bond Registrar, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Bond may be transferred only on the Bond Register upon presentation and surrender of the Bond at the principal corporate trust office of the Bond Registrar, together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer the Bond Registrar shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the registered owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

If manual signatures on behalf of the City are required, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the City. In all cases of exchanged or transferred Bonds, the City shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. All fees and costs associated with the exchange or transfer, including any tax or other governmental charges required to be paid with respect to the exchange or transfer, shall be paid by the registered owner requesting the exchange or the transferor, as appropriate. The City or the Bond Registrar may require that those fees and costs, if any, be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the City, evidencing the same debt, and entitled to the same security and benefit under this Ordinance as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be canceled by the Bond Registrar. The City may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Bonds that the City may have acquired in any manner whatsoever, and those Bonds shall be promptly canceled by the Bond Registrar. The canceled Bonds shall be retained for a period of time and then returned to the City or destroyed by the Bond Registrar as directed by the Chief Financial Officer.

The City and the Bond Registrar will not be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

In case any Bond becomes mutilated or destroyed or lost, the City shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the City in connection therewith and, in the case of the Bond destroyed or lost, filing with the City Clerk by the registered owner evidence satisfactory to the City that such Bond was destroyed or lost, and furnishing the City with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

Section 9. *Book-Entry Depository*. Notwithstanding any provision of this Ordinance or of any Bond to the contrary, the City may enter into an agreement with the registered owner of a Bond in the custody of a Depository providing for making all payments to that registered owner of payments of principal and interest on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including wire transfer of funds) other than as provided in this Ordinance and in the Bond, without prior presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the City; provided, that payment in any event shall be made to the person who is the registered owner of that Bond, on the date or other date duly agreed upon that principal and premium is due, and, with respect to the payment of interest, as of the applicable regular record date or special record date or other date as duly agreed upon as the case may be.

If any Depository determines not to continue to act as a Depository for the Bonds for use in a Book Entry System, the City may attempt to have established a securities depository/book entry relationship with another qualified Depository. If the City does not or is unable to do so, the City and the Bond Registrar, after the Bond Registrar has made provision with the Depository for notification of the Beneficial Owners by the then Depository, shall permit withdrawal of the Bonds from the Depository, and authenticate and deliver replacement Bonds in fully registered form in the denominations of $5,000 or any integral multiple thereof to the assignees of the Depository or its nominee. If the event is not the result of City action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing definitive Bonds) of those persons requesting such authentication and delivery.

To provide for the procedures relating to the book entry system for the Bonds, the Mayor, the City Manager or the Chief Financial Officer is authorized and directed to execute, acknowledge and deliver, in the name and on behalf of the City, the DTC Letter Agreement, in substantially the form submitted to the City Council.

Section 10. *Form of Bond*. The Bonds shall be in substantially the following form, the officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Ordinance:

(FORM OF FACE OF BOND)

REGISTERED NO. REGISTERED

$

CITY OF GLENDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BOND,
SERIES 20__

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP:
% per annum	July 1, ____	Date of Delivery	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Glendale, Arizona (the "City"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on January 1 and July 1 of each year (the "Interest Payment Dates"), commencing _____. This Bond will bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from its date. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor Bonds) is registered (the "registered owner" or "owner") on the Register maintained by the Bond Registrar, initially _____. Principal is payable upon presentation and surrender of this Bond at the principal corporate trust office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Interest Payment Date to the registered owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Interest Payment Date (the "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar whenever monies become available for payment of the overdue interest, and notice of the special record date shall be given to registered owners not less than ten days prior thereto.

This Bond is one of an issue of like date, tenor and effect except as to maturity and interest rate, aggregating the sum of $_____ issued to refund certain outstanding general obligation bonds of the City and to pay all necessary legal, financial and contingent costs in connection therewith (the "Bonds"), under authority of and pursuant to the laws of the State of Arizona, particularly Title 35, Chapter 3, Article 4, Section 35-473.01, et seq., of the Arizona

Revised Statutes (the "Act"), the Charter of the City, and Ordinance No. ____ New Series, passed by the Council of the City on November 24, 2014 (the "Bond Ordinance").

The Bonds are issuable only as fully registered bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Bond Registrar, by the registered owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar, together with a request for exchange or an assignment, signed by the registered owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Ordinance. All fees and costs associated with the exchange or transfer, including any tax or governmental charges payable in connection therewith, shall be paid by the owner requesting the exchange or the transferor, as appropriate. The City or the Bond Registrar may also require that such fees and charges be paid prior to the procedure for exchange or transfer. The City and the Bond Registrar may deem and treat the registered owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

The Bonds are subject to redemption prior to their stated maturities as follows:

*** * ***

The Council of the City of Glendale has by ordinance ordered the creation of a special fund for the payment of principal of and interest on the bonds of the issue of which this bond is one. Payments are to be made into said fund from taxes to be levied on all taxable property in the City and the money in said fund is to be used solely to pay principal of and interest on the bonds of the issue of which this is one. Such taxes, together with other monies to be deposited in said fund (including earnings on investments made with money in said fund), are required to be sufficient to pay such principal, interest and redemption premiums, if any, when due. Provided, however the issuance of refunding bonds shall in no way infringe upon the rights of the holder of the refunded bonds to rely upon a tax levy for the payment of principal and interest on the refunded bonds if the investments in the redemption funds prove insufficient. The total aggregate of taxes levied to pay principal and interest on the refunding bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the refunded bonds from the date of issuance of the refunding bonds to the final date of maturity on the bonds being refunded.

Reference is made to the Bond Ordinance for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Bond Registrar and the registered owners, and the terms and conditions upon which the Bonds are issued and secured. The registered owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Ordinance.

It is hereby certified and recited that all acts and conditions necessary to be performed by the City or to have been met precedent to and in the issuance of the Bonds in order to make them legal, valid and binding special obligations of the City, have been performed and have been met

in regular and due form as required by law; that payment in full for the Bonds has been received; and that no statutory, charter or constitutional limitation on indebtedness has been exceeded in issuing the Bonds.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the City of Glendale, Arizona has caused this Bond to be executed in its name by the facsimile signatures of the Mayor and attested to by the facsimile signature of its City Clerk and countersigned by the facsimile signature of its City Treasurer, all as of _____, 20__.

CITY OF GLENDALE, ARIZONA

_____(facsimile)_____
Mayor

ATTEST:

____(facsimile)_____
City Clerk

COUNTERSIGNED:

____(facsimile)_____
City Treasurer

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Ordinance referred to above.

Date of Authentication:

_____
as Bond Registrar

By_____
Authorized Representative

Registrable at and Payable by:

_____

_____

ASSIGNMENT

[Form of Assignment]

LEGAL OPINION

The following is a form of the text of the opinion rendered to the original purchaser of the Bonds by Greenberg Traurig, LLP in connection with the original issuance of the Bonds. That opinion is dated as of and premised on the transcript of proceedings examined and law in effect on the date of the original delivery of the Bonds. A signed copy is on file in my office.

_____(facsimile)_____
City Clerk

[Form of Legal Opinion]

(END OF FORM OF BOND)

Section 11. *Delivery of Bonds.* The Mayor or the Chief Financial Officer shall cause the Bonds to be prepared and shall have the Bonds signed, authenticated and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Purchaser upon payment of the par value thereof plus the net premium or discount set forth in the Bond Purchase Agreement or in the winning bid.

Section 12. *Depository Trustee; Application of Proceeds.* The City Manager or the Chief Financial Officer is authorized to appoint a qualified institution to serve as Depository Trustee. The Mayor, the City Manager or the Chief Financial Officer shall sign and deliver, and the City Clerk shall attest, on behalf of the City, the Depository Trust Agreement in substantially the form submitted to this Council with such additions, deletions and modifications not

inconsistent with this Ordinance as the officer executing such agreement shall approve. The proceeds of the Bonds shall be applied pursuant to the Depository Trust Agreement and held in such manner as will provide for the payment of the Bonds Being Refunded.

Section 13. *Allocation of Bonds between 6% and 20% Debt Limit*. The Chief Financial Officer shall determine the allocation of the Bonds between the 6% and 20% debt limit.

Section 14. *Security for the Bonds; Covenants*. For the purpose of paying principal of and interest on the bonds herein authorized there shall be levied on all taxable property in the City of Glendale a continuing, direct, annual ad valorem tax sufficient to produce the amounts required below; said amounts are hereby found sufficient and necessary to assure payment of the principal of and interest on said bonds as the same become due at or prior to maturity; provided that such taxes shall be limited to a total amount not greater than the aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final maturity date of the Bonds Being Refunded and, subject to the prior rights of the owners of the Bonds Being Refunded to payment from the same ad valorem taxes in the event that moneys from and securities purchased with the net proceeds of the Bonds are insufficient to pay the principal of and premium, if any, and interest on the Bonds Being Refunded as they become due. In each year the money derived from said tax shall be paid into separate funds which are hereby created and named the "Interest Fund" and the "Redemption Fund". Such Interest Fund and Redemption Fund shall be kept separately by the City for the equal benefit of the holders of the Bonds herein authorized and used solely for the payment of principal of and interest on such Bonds. There shall be paid into said Interest Fund and Redemption Fund the accrued interest and any premium received by the City from the purchasers of the Bonds herein authorized plus an amount sufficient to pay all interest when due on said Bonds plus the amounts on or prior to July 1 in the years determined by the Chief Financial Officer.

If at the time of any annual tax levy the amount in the Interest Fund and Redemption Fund accumulated as hereinabove required shall not be sufficient to pay all principal and interest falling due on said Bonds prior to the time that taxes will become available from the next succeeding tax levy, the City shall include in such earlier tax levy such additional amount as shall produce funds sufficient to remedy any such deficiency and deposit the proceeds of said taxes into the Interest Fund and Redemption Fund. Whenever there shall be insufficient money in the Interest Fund and Redemption Fund to pay Bonds and interest thereon payable therefrom when due, the City may pay such principal and interest from any other legally available fund and shall reimburse such other fund when money becomes available from the proceeds of the taxes hereinabove required.

Section 15. *Official Statement.* The Preliminary Official Statement is approved and the distribution of the same is hereby ratified. The City Manager is authorized and directed to complete, approve and execute on behalf of the City and in her official capacity, the Official Statement, with such modifications, changes and supplements as he shall approve as being necessary or desirable for its purposes. The City Manager, as well as any other official of the City, is further authorized to use and distribute, or authorize the use and distribution of, the final Official Statement and supplements thereto in connection with the original issuance of the Bonds as may in his judgment be necessary or appropriate. The City Manager, as well as any other

official of the City, is authorized to sign and deliver, on behalf of the City, such certificates in connection with the accuracy of the Preliminary Official Statement and the final Official Statement and any amendment thereto as may, in the judgment of the official executing such certificate, be necessary or appropriate.

Section 16. *Continuing Disclosure Undertaking*. The Mayor, the City Manager or the Chief Financial Officer is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking in substantially the same form as now before the City, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the City shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 17. *Tax Covenants*. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Bonds in such manner and to such extent as may be necessary so that (a) the Bonds will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code.

The City further covenants (a) that it will take or cause to be taken such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, (b) that it will not take or authorize to be taken any actions that would adversely affect that exclusion, and (c) that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purposes of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Mayor, the City Manager or the Chief Financial Officer or any other officer of the City having responsibility for issuance of the Bonds is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the City with respect to the Bonds as the City is permitted or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Bonds or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the

rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the City, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Bonds, and (c) to give one or more appropriate certificates of the City for inclusion in the transcript of the proceedings for the Bonds, setting forth the reasonable expectations of the City regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Bonds.

Section 18. *Further Actions*. All actions of the officers and agents of the City which are in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Bonds as contemplated by this Ordinance whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The Mayor, the City Manager, the Chief Financial Officer, the City Treasurer, the City Clerk and other appropriate officers and agents of the City are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the City as may be necessary to carry out the terms and intent of this Ordinance.

Section 19. *All Conditions Met.* This Council determines that all acts and conditions necessary under the Act and other applicable laws to be performed by the City or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding special obligations of the City, have been performed and met, or will at the time of delivery of the Bonds have been performed and met, in regular and due form as required by law; and that no statutory, charter or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 20. *Open Meeting*. This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in an open meeting of this Council and that all deliberations of this Council and of any committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

Section 21. *Severability*. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 22. *Ordinance a Contract*. This Ordinance shall constitute a contract between the City and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

PASSED and APPROVED by the City Council of the City of Glendale, Arizona, this 24th day of November, 2014.

MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

REVIEWED BY:

City Manager

SCHEDULE OF MATURITIES AND
REDEMPTION PROVISIONS OF REFUNDED BONDS
CITY OF GLENDALE, ARIZONA

SCHEDULE OF MATURITIES AND
REDEMPTION PROVISIONS OF REFUNDED BONDS

Issue	Outstanding Par	Coupon Range	Tax Status	Final Maturity	Call Features
Series 2003	$ 4,335,000	2.000%	Tax Exempt	2018	07/01/13 @ 100
Series 2004	14,615,000	4.125%-5.000%	Tax Exempt	2019	07/01/14 @ 100
2006A	15,985,000	4.000%-5.000%	Tax Exempt	2021	07/01/16 @ 100
Series 2007	37,155,000	4.250%-5.000%	Tax Exempt	2022	07/01/17 @ 100

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY ___, 2015

NEW ISSUE – BOOK-ENTRY-ONLY

RATINGS: Moody's: "[___]"
S&P: "[____]"
(See "RATINGS" herein)

In the opinion of Bond Counsel, assuming compliance with certain tax covenants, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds. Bond Counsel is further of the opinion that the interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona. See also "TAX MATTERS - Original Issue Discount and Original Issue Premium" herein.

$24,370,000*
CITY OF GLENDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

Dated: Date of Initial Delivery **Due:** July 1, as shown on the inside front cover page

The $24,370,000* principal amount of General Obligation Refunding Bonds, Series 2015 (the "Bonds") will be issued by the City of Glendale, Arizona (the "City"). The Bonds will be dated the date of initial delivery. Purchases of the Bonds will be made in book-entry-only form in the book-entry-only system of The Depository Trust Company ("DTC") only through DTC participants in the amounts of $5,000 of principal due on any maturity date or any integral multiple thereof. Except as herein described, purchasers will not receive certificates representing their beneficial interest in the Bonds. See Appendix E – "Book-Entry-Only System."

The Bonds will mature on the dates and in the amounts and will bear interest at the rates as set forth on the inside front cover page. Interest on the Bonds will accrue from the dated date of the Bonds and will be payable to the owners of the Bonds semiannually on January 1 and July 1 of each year, commencing on July 1, 2015*.

MATURITY SCHEDULE AND ADDITIONAL INFORMATION ON INSIDE FRONT COVER PAGE

The Bonds will not be subject to optional redemption prior to their stated maturity dates.* See "THE BONDS – Redemptions Provisions."

The Bonds are being issued for the purpose of providing funds (i) to refund in advance of maturity portions of certain outstanding general obligation bonds of the City (the "Bonds Being Refunded"), and (ii) to pay costs relating to the issuance of the Bonds. See "PLAN OF REFUNDING" and "SOURCES AND USES OF FUNDS."

The Bonds will be payable as to both principal and interest from *ad valorem* taxes levied against all taxable property within the boundaries of the City as more fully described herein, without limitation as to rate but with the limitation that the total aggregate of taxes levied to pay principal of and interest on the Bonds in aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for payment of the principal and interest on the Bonds Being Refunded to pay when due, or called for redemption, the Bonds Being Refunded, if the Government Obligations (as defined herein), together with interest thereon and with other funds legally available for such purposes deposited in the Depository Trust (as defined herein) and held in the Depository Trust for the payment of the Bonds Being Refunded prove insufficient. The owners of the Bonds must rely on the sufficiency of the funds held for payment of the Bonds Being Refunded. See "THE BONDS – Security and Source of Payment" and "PLAN OF REFUNDING."

Utilization of the book-entry-only system of DTC will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. DTC will be responsible for distributing the principal and interest payments with respect to the Bonds to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Bonds. So long as the book-entry-only system is in effect and Cede & Co., as nominee of DTC, is the registered owner of the Bonds, all references herein to owners of the Bonds (except under the heading "TAX EXEMPTION") will refer to and be solicited from Cede & Co. and not the beneficial owners. See Appendix E – "Book-Entry-Only System."

This cover page contains only a brief description of the Bonds and the security therefor. It is not a summary of material information with respect to the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.

The Bonds are offered when, as and if issued, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. Certain matters will be passed upon for the Underwriter by _____, Phoenix, Arizona. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about February___, 2015.

[UNDERWRITER TO COME]

January ___, 2015

* Preliminary, subject to change.

$24,370,000*
CITY OF GLENDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015

MATURITY SCHEDULE*

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP (a) (378280)
2015	$210,000			
2016	2,815,000			
2017	2,900,000			
2018	2,980,000			
2019	5,455,000			
2020	2,355,000			
2021	7,655,000			

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* Preliminary, subject to change.

CITY OF GLENDALE, ARIZONA

Incorporated in 1910

CITY COUNCIL

Jerry Weiers – Mayor
Yvonne J. Knaack – Vice Mayor, Barrel District
Ian Hugh – Councilmember, Cactus District
Manny Martinez – Councilmember, Cholla District
Norma Alvarez – Councilmember, Ocotillo District
Gary Sherwood – Councilmember, Sahuaro District
Sammy Chavira – Councilmember, Yucca District

ADMINISTRATIVE STAFF

Brenda S. Fischer
City Manager

Thomas F. Duensing
Finance and Technology Director

Michael Bailey
City Attorney

Vicki Rios
Assistant Finance Director

FINANCIAL ADVISOR

RBC Capital Markets, LLC
Phoenix, Arizona

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT/DEPOSITORY TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

This Official Statement, which includes the cover page, the inside front cover page and the Appendices hereto, does not constitute an offering of any security other than the original offering of the Bonds identified on the inside front cover page hereof. No dealer, broker, salesperson or other person has been authorized by the City of Glendale, Arizona (the "City"), RBC Capital Markets, LLC (the "Financial Advisor") or the underwriter identified on the cover page hereof (the "Underwriter") to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by, any of the foregoing. The presentation of such information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

The information contained in Appendix E – "Book-Entry-Only System" has been furnished by The Depository Trust Company and no representation has been made by the City or the Underwriter, or any of their counsel or agents, as to the accuracy or completeness of such information.

A wide variety of other information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

The issuance and sale of the Bonds have not been registered under the Federal Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Section 3(a)2 and 3(a)12, respectively, for the issuance and sale of municipal securities; nor has the issue been qualified under the Securities Act of Arizona, in reliance upon various exemptions in such Act. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The City has undertaken to provide continuing disclosure with respect to the Bonds as required by Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" and Appendix C – "Form of Continuing Disclosure Undertaking" herein.

The City, Financial Advisor, Underwriter, Underwriter's counsel and Bond Counsel are not actuaries, nor have any of them performed any actuarial or other analysis of the City's unfunded liabilities under the Arizona State Retirement System, Arizona Public Safety Personnel Retirement System or the Elected Officials Retirement Plan.

In connection with this offering, the Underwriter may allow concessions or discounts from the initial public offering prices to dealers and others, and the Underwriter may overallot or engage in transactions intended to stabilize the prices of the Bonds at levels above those which might otherwise prevail in the open market in order to facilitate their distribution. Such stabilization, if commenced, may be discontinued at any time.

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$24,370,000*
CITY OF GLENDALE, ARIZONA
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015

INTRODUCTION

This Official Statement, including the cover page, the inside front cover page and appendices hereto, sets forth certain information concerning the offering by the City of Glendale, Arizona (the "City") of $24,370,000* principal amount of General Obligation Refunding Bonds, Series 2015 (the "Bonds"), dated their date of initial delivery.

The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. Accordingly, prospective purchasers of the Bonds should read this entire Official Statement before making their investment decision.

All financial and other information presented in this Official Statement with respect to the City has been provided by representatives of the City from its records, except for information expressly attributed to other sources. Information from other sources has not been independently confirmed or verified by the City and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized.

Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as part of a contract with any original purchaser or subsequent owner of any Bond or beneficial interest therein.

Reference to provisions of State of Arizona (the "State" or "Arizona") law, whether codified in the Arizona Revised Statutes or uncodified, or of the Arizona Constitution, are references to those current provisions. The provisions may be amended, repealed or supplemented.

THE BONDS

Authorization and Use of Funds

The Bonds are being issued by the City pursuant to Title 35, Chapter 3, Article 4, Arizona Revised Statutes, and more specifically under the provisions of an authorizing ordinance adopted by the Mayor and the City Council on November 24, 2014* (the "Ordinance").

Proceeds from the sale of the Bonds will be used to (1) establish an irrevocable trust of moneys and obligations issued or guaranteed by the United States of America (the "Government Obligations") which will provide funds to pay, when due, principal of and interest on certain outstanding general obligation bonds of the City described under the heading "PLAN OF REFUNDING" (the "Bonds Being Refunded") and (2) pay costs incurred in issuing the Bonds. See "SOURCES AND USES OF FUNDS." The moneys and the Government Obligations will be held in an irrevocable trust (the "Depository Trust") for owners of the Bonds Being Refunded by The Bank of New York Mellon Trust Company, N.A., as depository trustee (the "Depository Trustee").

* Preliminary, subject to change.

General Description

The Bonds will be dated the date of their initial authentication and delivery, and will be issued only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") in the book-entry-only form as described in Appendix E – "Book-Entry-Only System." Beneficial ownership interests in the Bonds may be purchased through direct and indirect participants of DTC in amounts of $5,000 of principal due on any maturity date or any integral multiple thereof. See Appendix E – "Book-Entry-Only System." The Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. The Bonds will bear interest from their date of initial delivery, to their stated maturity dates at the rates shown on the inside front cover page hereof, and interest will be paid semiannually on January 1 and July 1 of each year, commencing July 1, 2015*.

See "TAX MATTERS" for a discussion of the treatment of the interest on the Bonds for federal income tax purposes.

The Bank of New York Trust Company, N.A. (the "Bond Registrar and Paying Agent") will serve as the initial Bond Registrar and Paying Agent for the Bonds. The Bond Registrar and Paying Agent may be replaced by the City without the consent of or notice to the owners of the Bonds.

Security and Source of Payment

The Bonds will be direct, general obligations of the City, payable as to both principal and interest from ad valorem taxes to be levied against all taxable property within the City without limit as to rate, but limited, by statutory provision, to a total amount not greater than the aggregate amount of principal and interest which will become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final maturity of the Bonds Being Refunded and subject to the prior rights vested in the owners of the Bonds Being Refunded to payment of the Bonds Being Refunded from the same ad valorem taxes in the event of a deficiency in interest income on and maturing principal of the Government Obligations purchased with the net proceeds from the sale of the Bonds to be placed in the Depository Trust for the purpose of paying principal of and interest on the Bonds Being Refunded. See "PLAN OF REFUNDING." The mathematical sufficiency of the receipts of principal and interest on the Government Obligations deposited in the Depository Trust to pay the interest on the Bonds Being Refunded and to redeem the Bonds Being Refunded on the specified redemption date will be verified by _____, independent certified public accountants. See "MATHEMATICAL VERIFICATION."

The owners of the Bonds will rely upon the sufficiency of the amounts in the Depository Trust for the payment of principal of and interest on the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if such amounts in the Depository Trust prove insufficient.

Redemption Provisions*

The Bonds are not subject to call for redemption prior to their stated maturity dates.

* Preliminary, subject to change.

PLAN OF REFUNDING

The net proceeds of the Bonds, after payment of the costs relating to the issuance of the Bonds will be placed in the Depository Trust with the Depository Trustee pursuant to the terms of a Depository Trust Agreement, to be dated as of ____, 2015, between the City and the Depository Trustee and will be used to acquire the Government Obligations, the maturing principal of and interest income with respect to which are calculated to be sufficient to pay, when due, the principal of and interest on the Bonds Being Refunded, as identified below:

Issue Series	Maturity Date (July 1)	Coupon	Principal Amount Outstanding	Bonds Being Refunded*	Redemption Date*	CUSIP®[(a)] (378280)
2004	2016	4.250%	2,795,000	2,795,000	02/__/2015	PL9
	2017	5.000%	2,915,000	2,915,000	02/__/2015	PM7
	2018	5.000%	3,050,000	3,050,000	02/__/2015	PN5
	2019	4.500%	3,190,000	3,190,000	02/__/2015	PP0
2006A	2019	4.500%	2,370,000	2,370,000	07/01/2016	QN4
	2020	4.500%	2,490,000	2,490,000	07/01/2016	QP9
	2021	4.625%	2,615,000	2,615,000	07/01/2016	QQ7
2007	2021	5.000%	5,195,000	5,195,000	07/01/2017	____
			24,620,000	24,620,0000		

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To the extent the moneys and the Government Obligations held in the Depository Trust are not sufficient to pay, when due, the principal of and interest on the Bonds Being Refunded, the ad valorem taxes levied to pay debt service on the Bonds will be subject to the prior right of the owners of the Bonds Being Refunded to payment from the same tax levy. See "THE BONDS – Security and Source of Payment" and "MATHEMATICAL VERIFICATION."

MATHEMATICAL VERIFICATION

_____, a firm of independent certified public accountants, will deliver to the City, on or before the issue date of the Bonds, its verification report indicating, among other things, that it has verified, in accordance with standards for attestation engagements established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when due, the principal of, interest and applicable premiums, if any, on the Bonds Being Refunded and (b) the yields on the Government Obligations and the Bonds.

The verification performed by _____will be solely based upon data, information and documents provided to _____ by the City and RBC Capital Markets, LLC (the "Financial Advisor"). _____ has restricted its procedures to recalculating the computations provided by the City and the Financial Advisor and has assumed the accuracy of the data, information and documents used in the computations.

SOURCES AND USES OF FUNDS

Sources:

Principal Amount of Bonds	$
Net Original Issue Premium/(Discount)	
Total	$

Uses:

Deposit to Depository Trust	
Deposit to Interest Account (a)	
Payment of Issuance Expenses (including Underwriter's discount)	
Total	

(a) Reflects excess premium from sale of the Bonds that Arizona law requires be applied to pay interest on the Bonds.

LITIGATION

To the knowledge of the City, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of ad valorem taxes to pay the debt service on the Bonds, contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. Authorized representatives of the City will deliver a certificate to that effect at the time of the original delivery of the Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, sale and issuance by the City of the Bonds and with regard to the tax-exempt status thereof will be passed upon by Greenberg Traurig, LLP, Phoenix, Arizona, as Bond Counsel. The form of that opinion is included as Appendix B hereto.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Bonds that may be prepared or made available by the City or others to the bidders for or holders of the Bonds or others.

Certain legal matters will be passed upon for the Underwriter by _____.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material effect on the City and could adversely affect the secondary market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The legal opinions to be delivered concurrently with the delivery of the Bonds will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Bonds. By rendering a legal opinion, the opinion giver does not become an

insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet with respect to the Bonds after the issuance thereof in order that the interest of the Bonds not be included in gross income for federal income tax purposes. The failure by the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Ordinance to take the actions required by the Code in order to maintain the exclusion from federal gross income of interest on the Bonds.

In the opinion of Bond Counsel rendered with respect to the Bonds on the date of issuance of the Bonds, assuming continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed in individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that the interest on the Bonds will be exempt from taxation under the laws of the State of Arizona.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest in indebtedness incurred to continue to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on a Bond; (ii) the reduction of the loss reserve deduction for property or casualty insurance companies by fifteen percent (15%) of certain items, including interest on the Bonds; (iii) the inclusion of interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the Bonds in passive investment income subject to federal income of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion in gross income of interest on the Bonds by recipients of certain Social Security and Railroad Retirement benefits.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Information Reporting and Backup Withholding

Interest paid on bonds such as the Bonds is subject to information reporting to the Internal Revenue Service. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Original Issue Discount and Original Issue Premium

Certain of the Bonds as indicated on the inside front cover page of this Official Statement ("Discount Bonds"), were offered and will be sold to the public at an original issue discount ("Original Issue Discount"). Original Issue Discount is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity will be sold pursuant to that offering. For federal income tax purposes, Original Issue Discount accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of Original Issue Discount that accrues during the period of ownership of a Discount Bond (i) will be interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) will be added to the owner's tax basis for purposes of determining gain or loss on the maturity, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside front cover page of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds as indicated on the inside front cover page of this Official Statement ("Premium Bonds"), were offered and will be sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. The difference between the principal amount payable at maturity of Premium Bonds and the tax basis of a Premium Bond to a purchaser (other than a purchaser who holds a Premium Bond as inventory, stock in trade or for sale to customers in the ordinary course of business) will be "bond premium." For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond. A purchaser of a Premium Bond will be required to decrease his or her adjusted basis in the Premium Bond by the amount of amortizable bond premium attributable to each taxable year he or she holds the Premium Bond. The amount of amortizable bond premium attributable to each taxable year will be determined at a constant interest rate compounded actuarially. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of Original Issue Discount or bond premium properly accruable in any period with respect to the Discount Bonds or the Premium Bonds and as to other federal tax consequences, and the treatment of Original Issue Discount and bond premium for purposes of state and local taxes on, or based on, income.

RATINGS

Standard & Poor's Financial Services LLC ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned the ratings of "[____]" and "[____]", respectively, to the Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P, 55 Water Street, New York, New York 10041; and Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it, some of which may not have been included in this Official Statement, and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is employed as the Financial Advisor to the City in connection with the issuance of the Bonds. The fees for Financial Advisor are contingent upon the issuance, sale and delivery of the Bonds. The Financial Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification and does not guarantee the accuracy, completeness, or fairness of the information in this Official Statement.

UNDERWRITING

_____("Underwriter") has agreed to purchase the Bonds, subject to certain conditions, at a purchase price of $_____. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter's compensation will be $_____. The Bonds may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the beneficial owners of the Bonds to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February1, 2016 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports and the Notices of Listed Events will be filed by the City with the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board (the "MSRB"). The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is set forth in Appendix C - "Form of Continuing Disclosure Undertaking", attached hereto. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability, liquidity, market price and marketability of the Bonds.

[The City previously entered into continuing disclosure undertakings with respect to certain previously issued Senior Excise Tax Obligations, Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded, which require the filing on or before February 1 of each year of audited financial statements and annual updates with respect to certain financial information and operating data related to the City. The following filings were not made timely:

1. The Annual Report for fiscal year ended June 30, 2010, due February 1, 2011, was not filed properly by CUSIP for the Senior Excise Tax Obligations, the Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded.

2. The Annual Reports for fiscal years ended June 30, 2009, June 30, 2010 and June 30, 2011, due February 1, 2010, February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2003D Subordinate Excise Tax Bonds.

3. The Annual Reports for fiscal years ended June 30, 2010 and June 30, 2011, due February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2002B Subordinate Excise Tax Bonds.

The City filed such financial information and operating data on or prior to November 27, 2012 through EMMA. In addition, the City is working to put in place procedures that it intends all future filings of the City's Annual Reports and Notices of Listed Events will be filed in a timely manner. Otherwise, the City is in material compliance with all previous continuing disclosure undertakings entered into pursuant to the Rule for the previous five years.]

FINANCIAL STATEMENTS

The financial statements of the City as of June 30, 2014 and for its fiscal year then ended, which are included as Appendix D – "Audited Financial Statements of the City of Glendale, Arizona for the Fiscal Year Ended June 30, 2014" hereto, have been audited by Clifton Larson Allen LLP, as stated in their opinion which appears in Appendix D. The City neither requested nor obtained the consent of Clifton Larson Allen LLP to include their report and Clifton Larson Allen LLP has performed no procedures subsequent to rendering their opinion on the financial statements.

ADDITIONAL INFORMATION

Additional information and copies of the Official Statement and the Ordinance may be obtained by contacting the Financial Advisor, RBC Capital Markets, LLC, 2398 East Camelback Road, Suite 700, Phoenix, Arizona 85016, or by contacting Mr. Thomas F. Duensing, Finance and Technology Director, 5850 West Glendale Avenue, Glendale, Arizona 85301.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract with the original purchasers or subsequent owners of the Bonds.

By: _____
City Manager

APPENDIX A

CITY OF GLENDALE, ARIZONA
GENERAL AND FINANCIAL INFORMATION

General

The City of Glendale, Arizona (the "City" or "Glendale") is the fifth largest city by population in the State of Arizona and is located in the northwest portion of the Phoenix metropolitan area. The City is one of eight major cities comprising the greater Phoenix metropolitan area, which is Arizona's economic, political, and population center.

Founded in 1892 and incorporated in 1910, the City has an estimated 2013 population of 231,109. The following table illustrates Glendale's growth expressed by population statistics for the City along with the population statistics for Maricopa County, Arizona (the "County") and the State of Arizona, (the "State" or "Arizona") respectively.

Population Statistics

Year	City of Glendale	Maricopa County	State of Arizona
2013 Estimate (a)	231,109	3,944,859	6,581,054
2010 Census	226,721	3,817,117	6,392,017
2005 Special Census	242,369	3,700,516	6,044,985
2000 Census	218,812	3,072,149	5,130,632
1995 Special Census	172,684	2,355,900	4,307,150
1990 Census	148,134	2,122,101	3,665,305
1985 Special Census	122,392	1,829,500	3,187,000
1980 Census	97,172	1,509,262	2,716,333
1970 Census	36,228	971,228	1,775,399

(a) Population estimates as of July 1, 2013 (released December 2013) provided by the Office of Employment and Population Statistics, Arizona Department of Administration.

Source: U.S. Census Bureau; City of Glendale, Arizona Planning Department.

Along with population growth, the City has also grown in terms of land area as evidenced by the following table which illustrates the City's square mile statistics.

Square Mile Statistics
City of Glendale, Arizona

Year	Square Miles
2014	59.98
2010	59.02
2000	54.60
1990	50.09
1980	39.94
1970	16.83
1960	3.80

Source: City of Glendale Planning Department.

Municipal Government and Organization

The City operates under and is governed by the Council-Manager form of government, in accordance with its Charter. In addition, under the Arizona Constitution, the City may exercise all powers of local self-government to the extent it is not in conflict with applicable general laws. The City is also subject to certain general laws that are applicable to all Arizona cities.

Legislative authority is vested in a seven-member City Council consisting of a mayor elected at large and six council members elected based on a system of geographic districts. Council members serve a term of four years on a staggered basis and the Mayor is elected for a four-year term. The Council fixes compensation of officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal purposes and appoints the City Manager, the City Clerk, the City Treasurer, municipal judge and assistant municipal judge and the City Attorney. The Council also appoints members to a number of City boards and commissions.

Key Administrative Staff

Brenda Fischer, *City Manager* – Brenda Fischer has been the Glendale City Manager since July 2013. She has nearly 20 years of municipal experience with management expertise in public administration, finance, human resources, intergovernmental relations, economic development, strategic planning, labor relations and public information.

Since being appointed by the Glendale City Council, Fischer has implemented a five year budget forecast and presented short-term budget solutions without layoffs or reductions in service to the community. She also reorganized the City's structure and operations resulting in a streamlining of the organization that has increased productivity, efficiency and created future cost savings. Fischer is also known for being pro-active within the business community by outreaching with regular communication to local business and community leaders including sharing city information via a monthly City Manager report.

Prior to coming to Glendale, Fischer managed the City of Maricopa from 2011 to 2013 and also worked in city government as a Deputy City Manager in Glendora, California and spent 15 years in management positions in southern Nevada working for the cities of Henderson and North Las Vegas.

Fischer is a credentialed city manager from the International City/County Management Association (ICMA) and a member of the Arizona City/County Management Association. She has a master's degree in public administration from the University of Nevada, Las Vegas and a bachelor's in journalism/public relations with a sports information emphasis from the University of Southern California.

Michael Bailey, *City Attorney* - Michael D. Bailey is the City Attorney for the City of Glendale Arizona. Mr. Bailey is licensed to practice law in Arizona and California. Mr. Bailey holds a bachelor's degree of Science in Business Administration and a Juris Doctorate from Chapman University. Additionally, Mr. Bailey holds a Masters in Public Administration from American Public University. Prior to serving Glendale, Mr. Bailey was the City Attorney for the City of Surprise Arizona.

Tom Duensing, *Chief Financial Officer* - Tom Duensing has over 23 years of government finance experience. Since October of 2013, Mr. Duensing has been serving as the Finance and Technology Director for the City of Glendale. Prior to working in Glendale, he served at the City of Tempe and the City of Maricopa in various financial roles including Accounting Supervisor, Deputy Finance Director, City Auditor, Finance Director and Assistant City Manager. Mr. Duensing has also worked as an auditor in public accounting specializing in local government auditing and in the Arizona Governor's Office where he was responsible for grants administration. Mr. Duensing holds a B.S. in Accounting, an M.B.A., and is a Certified Public Accountant. He is a member of the Government Finance Officers Association of Arizona, the Government Finance Officers Association, the American Institute of Certified Public Accountants, and the Arizona Society of Certified Public Accountants.

Vicki Rios, *Assistant Finance Director* - Ms. Rios has 17 years of government finance experience. Since December of 2013, Ms. Rios has been serving as the Assistant Finance Director for the City of Glendale. Prior to working in Glendale, Ms. Rios served as Deputy Finance Director and Interim Treasurer for the City of Phoenix and held progressively responsible positions with the City of Peoria, Arizona including her most recent position as Revenue Manager. Since 2002, Ms. Rios has been an adjunct professor at Arizona State University and Glendale Community College. Ms., Rios is also the Chairperson of the Certification Advisory Committee for the Arizona State Board of Accountancy. She holds a Bachelor's degree, a Post-Baccalaureate Certificate in Accountancy, an M.B.A, and is a Certified Public Accountant. She is recognized as a Certified Public Finance Officer (CPFO) and is a member of the Government Finance Officers Association of Arizona and the Arizona Society of Certified Public Accountants.

Employees

As of June 30, 2014, the City had approximately 1,592 full-time and part-time employees and a fiscal 2014 gross payroll of $154.5 million. The City Council establishes salaries, wages and other economic benefits for City employees. In 2005, the City Council enacted an ordinance allowing certain members of the City's Fire Department and Police Department to be represented by employee organizations. City management is authorized to meet and confer with the employee organizations on specific matters, including wages, working conditions, and non-healthcare related benefits.

Economy

As Arizona's fifth largest city with a population of over 230,000 and a median household income of $57,481 the City is an economic engine of the Greater Phoenix West Valley, bordering the City of Phoenix on its eastern/southern borders. From its beginnings as an early farming settlement in the 1880's, to a military center of excellence after World War II, it has now evolved into the major sports, healthcare, education and corporate employment center.

As a result of the City's strategic location within the County and the Phoenix MSA, its economic efforts toward a business-friendly environment and its amenities and workforce attractiveness, the City has had a number of significant business investments in recent years, including: Despite the budgetary challenges addressed in this year's process, economic activity continues to thrive throughout the City. A number of major business developments and initiatives will have positive implications for Glendale's economy. City staff has facilitated more than 2,700 new jobs for Glendale this year, which is expected to result in the occupancy of 1.7 million new and existing square feet of office, industrial and retail space. This brings the grand total to more than 10,600 jobs created in the last six years alone – nearly 7,000 from new companies to Glendale and more than 3,600 jobs from existing companies. Newly-located businesses in Glendale include: NPL (Northern Pipeline), Harvard Drug, American Furniture Warehouse, Mattamy Homes, The Pain Center of Arizona, Canyon State Bus, Hensley Distribution, Avanti Windows, Empereon Marketing, New West Oil, Lockheed Martin, Glendale Ironwood Cancer Research Center, and Banner Health.

Several Key Economic Corridors within the City include the Northern Economic Corridor, Historic Downtown, and the 101 Economic Corridor and Loop 303.

Northern Economic Corridor.

Arrowhead Towne Center/Bell Road Retail Corridor – mixed use master planned community with residential, employment, recreation, shopping and dining. Approximately 1/3 of the City's retail sales tax revenues are generated in this area.

Midwestern University – 143 acre Glendale campus has been developed over the past decade. The campus offers state-of-the-art practice labs, lecture halls, and classrooms, as well as a comprehensive library and outpatient clinics. The campus has over _____ graduate students and offers five major programs currently and is the largest medical school in the State: The Arizona College of Osteopathic Medicine, College of Pharmacy, College of Health Sciences, College of Optometry, and the College of Dental Medicine – Arizona. Midwestern has also announced that they will be building Arizona's first-ever school of veterinary medicine, to be completed in 2014. [RBC TO UPDATE]

Banner Thunderbird Medical Center –They are currently the fourth largest hospital in the Phoenix metropolitan area with 561 licensed beds and nearly 3,000 employees.

Honeywell Aerospace – The Glendale facility of Honeywell Aerospace is one of the City's larger private employers with over 1,100 employees.

AAA Glendale Operations Center – a major information technology and customer service center in the City with over 1,300 employees.

Glendale's Historic Downtown.

Glendale Civic Center – Located in the heart of historic downtown, the Glendale Civic Center offers 33,000 square feet of indoor and outdoor meeting space for corporate events, trade shows, weddings and private parties.

Murphy Park/Caitlin Court - "The Downtown Dining District," "The Arts and Culture District," "The Old Towne Shopping District," and "Antiques Capital of Arizona."

Saguaro Ranch Park –Preserving one of the Valley's oldest and most magnificent ranches, the 17-acre Saguaro Ranch Park Historic Area features 13 original buildings, a rose garden, barnyard and historic orchards. Listed on the National Register of Historical Places and known as the "Showplace of the Valley," the Saguaro Ranch Park Historic Area offers activities, exhibits and guided tours—keeping the history of early settlement in the Valley alive.

Glendale's 101 Economic Corridor.

Westgate City Center – Westgate City Center offers a vibrant outdoor setting with unique water features, delivering an interactive shopping, dining and entertainment experience. It is anchored by Jobing.com Arena, home of the Phoenix Coyotes, and the University of Phoenix Stadium, home to the Arizona Cardinals. Some of the major business located within Westgate City Center, are:

(i) Gila River Arena / Arizona Coyotes – Owned by the City of Glendale, Gila River Arena (the "Arena") is home to the National Hockey League's Arizona Coyotes (the "Coyotes" or the "Team").

(ii) Tanger Factory Outlets Westgate – After breaking ground in April 2012, the Tanger Outlets at Westgate project opened in November 2012. Located just west of the Westgate city center along the Loop 101 in the Sports and Entertainment District, the newly built 368,000 square feet of space is now home to 85 top name-brand shops, such as Abercrombie & Fitch, Banana Republic, Brooks Brothers, Michael Kors, Nike and Coach.

(iii) Cabela's - In addition to offering quality outdoor merchandise, the 160,000 sq. ft. showroom is an educational and entertainment attraction, featuring a décor of museum-quality animal displays, huge aquariums and trophy animals interacting in realistic re-creations of their natural habitats.

(iv) University of Phoenix/Cardinal's Stadium – The primary tenants in the stadium include the NFL's Arizona Cardinals and the annual college football Fiesta Bowl. The 63,400-seat stadium will host the upcoming 2015 Super Bowl and the 2015 NFL ProBowl after successfully hosting the championship game in 2008.

Dignity Health – St. Joseph's Westgate Medical Center is a not-for-profit, 24 bed inpatient hospital that opened on May 13, 2014. The medical campus and hospital features new approaches to healthcare. The campus utilizes the most innovative uses of materials to promote patient safety, patient satisfaction and medical efficiency. St. Joseph's Westgate provides two operating rooms, two procedure rooms, a 12 bed emergency room and 12 universal care beds. Services included general surgery, orthopedics, urology, gastrointestinal and endoscopy.

Camelback Ranch - Located just across the Loop 101 from Glendale's Sports and Entertainment District, Camelback Ranch is the Spring Training home of the Los Angeles Dodgers and Chicago White Sox.

Glendale's Future Economic Corridor – the Loop 303.

Luke Air Force Base - Luke Air Force Base is one of Glendale's, and the West Valley's, primary economic drivers, located just east of the Loop 303. Luke was officially annexed into the City of Glendale in 1995 and is considered the economic center of both the Loop 303 corridor and the West Valley. The base population includes about 4,830 military members and Department of Defense civilians. With about 70,000 retired military members living in greater Phoenix, the base services a total population of nearly 80,000 people. Approximately 300 pilots train at Luke annually and proceed to combat assignments throughout the world. The 56th Fighter Wing also trains more than 350 maintenance technicians each year. The base has an economic impact of $2.17 billion annually to the Arizona economy and recently celebrated the opening of its F-35 Lightning II Academic Training Center.

The new facility will provide state-of-the-art training for fighter pilots and continue Luke's mission to train the world's best fighter pilots. The F-35 is the world's most advanced multi-role fighter and will replace aging fighter inventories in the Air Force, Navy and Marines.

Glendale 2025, the City's General Plan, identifies future land uses for this area that are compatible with Luke Air Force Base and captures appropriate land uses adjacent to the Loop 303. Much of the land in this area is located within the 65-decibel noise contours for Luke with the goal of continuing to protect Air Force operations.

The City has a diverse employer base. The following is a list illustrating major employers in the City.

Major Employers
City of Glendale, Arizona
as of June 30, 2014

Employer	Service	Approximate Number of Employees
Luke Air Force Base	Military	5,610
Banner Thunderbird Health System	Health Care	2,900
Arrowhead Towne Center	Retail	2,500
Wal-Mart	Retail	2,175
Glendale Union High School District	Education	1,944
Glendale Community College	Education	1,790
Glendale Elementary School District	Education	1,608
AAA	Insurance	1,000
City of Glendale	Government	1,592
Arrowhead Hospital	Health Care	1,010

Source: City of Glendale, Arizona.

The following table compares the City's unemployment averages with those of the United States, the State and the County for the last five years.

Unemployment Averages

Year	United States	State of Arizona	Maricopa County	City of Glendale
2014 [(a)]	6.3%	7.1%	6.0%	6.1%
2013	7.4	8.0	6.7	6.9
2012	8.1	8.3	7.2	7.7
2011	8.9	9.4	8.5	8.9
2010	9.6	10.4	9.6	9.9
2009	9.3	9.8	9.0	9.3

(a) As of September, 2014.

Source: Arizona Department of Economic Security, Research Administration, Economic Analysis; US Department of Labor, Bureau of Labor Statistics.

Construction

The following tables depict building permit activity and value for residential and non-residential construction in the City, in addition to new housing starts in the City. It is anticipated that residential construction will continue on a slight downward trend as Glendale approaches build-out. If Glendale is successful in annexing properties in the Loop 101 Corridor and the Loop 303 Corridor, residential build-out may occur between 2020 and 2025.

Value of Building Permits
City of Glendale, Arizona

Fiscal Year	Residential	Commercial & Industrial	Other[(a)]	Total
2014	$42,250,810	$109,564,039	$51,825,857	$203,640,706
2013	81,624,695	110,568,843	79,288,170	271,481,707
2012	99,977,051	48,425,681	54,837,384	302,240,116
2011	39,397,373	71,663,689	6,712,915	117,773,972
2010	28,008,551	82,907,408	52,042,366	162,958,325

(a) Other category is comprised of a variety of sources including residential garages and carpools, swimming pools and spas, signs, demolitions and razings, and other miscellaneous sources.

Source: City of Glendale, Arizona Building Safety Department.

Building Permits[(a)]
City of Glendale, Arizona

Fiscal Year	Total Building Permits
2014	4,799
2013	6,383
2012	5,304
2011	5,619
2010	5,194

(a) The date on which the permit is issued is not to be construed as the date of construction.

Source: City of Glendale, Arizona Building Safety Department.

Sales Tax Revenue

The following City sales tax revenue is based on the City's sales and use tax collections from its 1.9% sales tax levy together with the restaurant and bar (2.9%), hotel (6.9%), construction (1.9%), and communication (5.1%) portions of the total sales tax collections. These revenues do not reflect sales tax revenues received by the City which are restricted to use for police, fire and transportation.

Sales Tax Revenue
City of Glendale, Arizona

Fiscal Year	Amount
2014	$88,764,000
2013	82,678,263
2012	56,158,067
2011	54,884,920
2010	53,807,689

Source: City of Glendale Finance Department.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

In the year 2000, the Loop 101 freeway was opened as part of the City's general plan for future west area development. The freeway's opening has spurred residential, commercial and industrial development in the adjacent areas, and increased access to venues such as the Arena and the University of Phoenix NFL stadium. (See "Additional Information" below.) Major transportation corridors that connect Glendale to the entire metropolitan region include historic Grand Avenue, Loop 303 in the far west, the Loop 101 in the western and northern parts of the city, and the Northern Parkway, which is currently in phase two of construction, connecting several West Valley cities. Glendale is a member of the Valley Metro, the area's Regional Public Transportation Authority (RPTA). Glendale Transit provides a wide range of convenient, low-cost transportation alternatives for Glendale citizens and visitors, including fixed-route bus service, Glendale Dial-A-Ride, Glendale Urban Shuttle (GUS) bus service, ADA service and a taxi-subsidy program.

Glendale also operates a municipal airport. Located just five miles west of downtown Glendale, five miles east of Luke Air Force Base, and 30 minutes northwest of downtown Phoenix, this 477-acre modern airport features a beautifully designed two-story, 18,000 square-foot terminal, a Federal Aviation Administration contract-tower, and complete airport services for general aviation and corporate jet traffic. The airport's facilities include a 7,150 foot paved and lighted runway, a $2.3 million terminal, a 10,000 square-foot hangar and many smaller, enclosed hangars for aircraft. The full-service airport is accessible to general aviation aircraft from single-engine planes to corporate jets. Twenty-one businesses are located on the field and 186 new hangars have been built. In addition, a new business park is being planned for the east side of the landing field. A full service fixed base operator is located on the field with two grades of fuel and full maintenance is available.

Airlines Serving Sky Harbor International Airport
as of October, 2014

Airline	
Aero Mexico	JetBlue Airways
Air Canada	Southwest Airlines
Alaska Airlines	Spirit Airlines
American Airlines (a)	Sun Country Airlines
British Airways	United Airlines
Delta Airlines	US Airways (a)
Frontier Airlines	Volaris
Great Lakes Airlines	WestJet
Hawaiian Airlines	

(a) American Airlines and US Airways merged on December 9, 2013. The two airlines will continue to operate separately until a single operating certificate is achieved within the next 18-24 months.

Source: City of Phoenix Aviation Department.

Number of Passengers Arriving and Departing
Sky Harbor International Airport
As of August, 2014

Calendar Year	Deplaned	Enplaned	Total
2014	14,225,326	14,234,571	28,459,897
2013	20,174,643	20,166,971	40,341,614
2012	20,279,006	20,169,926	40,448,932
2011	20,380,496	20,211,799	40,592,295
2010	19,329,480	19,225,050	38,554,530

Source: City of Phoenix Aviation Department.

Education

The City is home to four major institutions of higher education. Glendale Community College is one of the campuses which comprise the Maricopa County Community College District. The College offers a curriculum leading to an Associate of Arts degree. The American Graduate School of International Management (Thunderbird) is currently a privately-owned graduate-level institution offering a curriculum leading to a Masters of International Management degree. Thunderbird is currently in negotiations to be acquired by Arizona State University.

Midwestern University has a 143-acre campus located in Glendale. This university specializes in health care education, providing programs that range from osteopathic medicine to cardiovascular science. Midwestern is in the midst of a $140 million expansion and expects to have over 2,700 students once the expansion is complete in 2014.

The Arizona State University West campus is a 300-acre campus located on Glendale's eastern border. Over [400] business classes are offered at the campus for junior and senior students. In addition, a complete Masters of Business Administration program is available.

Residents of the City are also served by numerous elementary schools, junior high schools and high schools.

DEBT AND FINANCIAL DATA

Introduction

The City's fiscal year is from July 1 through June 30.

The Director of Finance and Technology is responsible for finance, management and budget, procurement, accounting, computer-related planning, evaluation and installation of hardware and software throughout the City. The Economic Development Director is responsible for attracting, retaining and expanding businesses and providing redevelopment and business assistance and encompasses economic development, planning and building safety services.

Expenditure Limitation

Commencing in fiscal year 1982-83, the City became subject to the annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the City's actual expenditures for fiscal year 1979-80, with this base adjusted annually to reflect population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, such as expenditures made from federal funds and bond sale proceeds, as well as debt service payments. The limitation can be exceeded for certain emergency expenditures or if approved by the voters. The constitutional provisions which relate to the expenditure limitation provide three processes to exceed the spending limit: a local home rule option; a permanent base adjustment; and a one-time override.

On March 16, 1982, the voters of the City approved a local home-rule option proposition referred to them by the City Council to exceed the statutorily imposed expenditure limit in all areas of City operations in the 1982-83 fiscal year and the three succeeding fiscal years to the extent of revenues anticipated to be received by the City. Successive authorizations to exceed the statutory limitation for four year periods were approved on March 1986, on March 1990 and on March 1994. On February 24, 1998 the City Council adopted a Resolution proposing an extension of the Alternative Local Expenditure Limitation tests for four more years and was approved by voters at the May 19, 1998 General Election. From July 1982 to June 2002, the City was subject to the home-rule option. The City is now subject to the State imposed expenditure limitation with which the City is in full compliance. On May 16, 2000, voters approved a permanent base adjustment to the 1980 expenditure limitation thereby increasing it from $21.5 million to $68 million (in 1980 dollars). This base year is adjusted by an inflation and population factor from year to year. The approval of this permanent adjustment by the voters will have no effect on sales and property taxes.

Operating Budget Process

The budget process emphasizes the City's objective of making the budget not only a financial plan but also a policy document, operations guide and a communications device as recommended by the Government Finance Officers Association ("GFOA"). GFOA has awarded the City's 2014 budget its "Distinguished Budget Presentation," the 22nd year the City has received this award. The 2015 budget has been submitted to GFOA. The annual and long-range budgeting process is shaped and guided by the four key foundation documents included in the annual budget document:

1. The annual operating budget
2. The 10-year capital plan
3. The 5-Year Forecast
4. The Financial Plan and Financial Policies

The annual budget document for Fiscal Year 2015 and the past few fiscal years are located at http://www.glendaleaz.com/budget.

Prior to Fiscal Year 2014, the budget process involved an approach where each department received target allocations. The responsible department would then be given a "base budget target allocation", and when additional funding was available, supplemental requests were then made for increases in services or the addition of new services. Supplemental requests were not considered starting with the Fiscal Year 2010 budget and continuing through the development of the Fiscal Year 2014 budget. Fiscal Year 2015 was the first year the City utilized a "zero-based" budget approach. Additionally, the budget was developed around the Five-Year Financial Forecast and was presented to Council on December 17, 2013. A zero-based approach means departments requested and

justified all Fiscal Year 2015 appropriated funds and did not receive "base budget target allocations" at the beginning of the budget process. The intent of the Five-Year Financial Forecast was to set the stage for the Fiscal Year 2015 budget process with an emphasis on future financial planning and stability.

The proposed budget is typically presented to City Council in March and April for the upcoming fiscal year, with an emphasis on the City's largest operating fund, the General Fund, along with the proposed capital improvement plan. The state-defined budget adoption process occurs in May and June following public hearings on the City Manager's proposed budget. This process results in City Council's formal adoption of the City's total budget for the upcoming fiscal year.

City budgeting for a fiscal year formally begins with the preparation of the budget. It is subsequently adopted, after a public hearing, by July 1 for the fiscal year. The budget must contain the information indicated above and a tax levy is made in accordance with state law. Additionally, the City has a formal Debt Management Plan and a 10 year capital improvement plan which are also incorporated in the budget process.

Capital Improvement Plan

Glendale's Capital Improvement Plan (the "Capital Plan") is a ten-year road map for creating, maintaining and rehabilitating Glendale's present and future infrastructure needs. The Capital Plan also represents a funding plan for capital expenditures. The Capital Plan is designed to ensure that capital improvements will be made when and where they are needed, and that the City will have the funds to pay for such improvements.

In conjunction with the annual budgeting process, the Financial Services Department coordinates the city-wide process of revising and updating the Capital Plan.

The City Council reviews all of the existing and proposed projects, considers citizen and City boards and commissions requests and evaluates management, financial and planning staff recommendations before making the final decision about which projects should be included in the annual Capital Plan and how those projects should be integrated into the City's annual budgeting process.

Financial Reports and Examination of Accounts

Annually, independent certified public accountants audit the financial records as required by state law and the Charter. See Appendix [__] – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR FISCAL YEAR ENDED JUNE 30, 2014" for the financial statements from the City's June 30, 2014, Comprehensive Annual Financial Report. The City received a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its 2014 Comprehensive Annual Financial Report as well as in each of the [29] preceding years.

RECENT BUDGET AND FINANCIAL DEVELOPMENTS

General Fund

On June 12, 2012, the Glendale City Council approved a 0.7% increase in the City's transaction privilege tax ("TPT") rate. This increase, which was implemented on August 1, 2012, was due to expire on July 31, 2017. During the Fiscal Year 2015 budget process, there was significant planning centered on the detailed five-year financial forecast, and on June 24, 2014, the termination date (or "sunset" provision) was eliminated, effectively making the 0.7% increase permanent. The General Fund Activity table below overviews the General Fund financial results beginning with the Fiscal Year 2009 through Fiscal Year 2014 (unaudited).

At June 30, 2014, the ending General Fund fund balance was a deficit $2.1 million. However, at the June 30, 2014 City cash and investments totaled $40.1 million for the General Fund. The primary reasons for the difference between the $40.1 million cash and investments balance and the $2.1 million deficit fund balance is: a) the advance from other funds to the General Fund totaling $39.5 million payable through Fiscal Year 2037 and b) the $5.0 million contract payable to the National Hockey League payable in Fiscal Year 2017.

Table 7
City of Glendale, Arizona
General Fund Activity
(000's omitted)

Fiscal Year:	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**[1]
Revenues:						
Taxes & Assessments	$58,761	$57,537	$59,435	$60,852	$87,849	$96,943
Licenses & Permits	9,006	8,641	8,547	9,172	9,598	9,833
Intergovernmental	64,710	58,490	50,644	44,780	50,040	54,005
Charges for Services	7,133	5,658	8,264	9,236	10,797	13,642
Other	7,614	7,463	19,815	11,613	6,143	7,167
Total	147,224	137,789	146,705	135,653	164,427	181,590
Expenditures:						
General Government	23,867	21,457	19,467	17,696	15,785	29,445
Public Safety	83,110	77,667	73,716	74,509	81,639	85,029
Public Works	10,944	11,472	8,708	7,635	7,822	7,444
Community Services	26,854	22,600	20,217	19,209	15,371	13,438
Debt	2,905	2,433	2,245	1,626	2,815	1,508
Capital Outlay	5,782	2,717	3,005	2,983	699	2,712
Other	2,830	2,496	1,814	2,362	3,196	2,096
Total	156,292	140,842	129,172	126,020	127,327	142,116
Other Fin. Sources/(Uses):						
Net Transfers	(4,979)	(11,244)	(20,746)	(21,267)	(22,895)	(30,878)
NHL Owners Fee	0	0	(25,000)	(25,000)	0	0
Other	289	513	450	650	643	480
Total	(4,690)	(10,731)	(45,296)	(45,617)	(22,252)	(30,398)
Beginning Balance (July 1)	66,388	52,630	39,433[2]	9,335[3]	(26,649)	(11,801)
Net Change in Fund Balance	(13,758)	(13,784)	(27,763)	(35,984)	14,848	9,076
Ending Balance (June 30)	$52,630	$38,846	$11,670	($26,649)	($11,801)	($2,725)
Unassigned Fund Balance	$29,410	$22,626	($5,414)	($29,565)	($14,438)	($5,129)

[1] Unaudited. The City's Audited Financial Statements are expected to be available in December 2014.

[2] Restated fund types revised balance June 30, 2010 pursuant to Governmental Accounting Standards Board Statement No. 54.

[3] Restated due to reassignment to the General Fund of a contractual payment by the City of approximately $2.3 million which had initially been charged against the City's Risk Management Fund.

The General Fund, fund balance was reduced in excess of $90 million over the four year period from Fiscal Year 2009 through Fiscal Year 2012. Fiscal Year 2013 saw the first year of a net increase to the fund balance but did not include the impacts of a newly negotiated Arena Management Agreement, a net General Fund impact of approximately $8.5 million, or debt service related to the Camelback Ranch Spring Training Facility, a General Fund impact of approximately $11.1 million.

The Fiscal Year 2014 adopted General Fund budget anticipated a planned spend-down of $14.3 million in fund balance and was the first fiscal year in which the General Fund fully funded the impacts of the Arena Management Agreement and debt service costs related to the Camelback Ranch Spring Training Facility. Despite these financial events, the Fiscal Year 2014 actual results (unaudited) indicate the General Fund fund balance increased by $9.1 million as illustrated in the General Fund Activity table above.

The growth of taxes and assessments revenue beginning in Fiscal Year 2013 is attributed primarily to the 0.7% increase in the TPT rate, effective August 1, 2012. After factoring out the partial-year impact of the 0.7% increase, the actual TPT revenue increased by approximately 5% in Fiscal Year 2014 from Fiscal Year 2013.

The second largest revenue category in the General Fund is intergovernmental revenue. This consists primarily of State-Shared Sales Tax, State-Shared Income Tax, and State-Shared Motor Vehicle In-Lieu Tax. In Fiscal Year 2009, a decline in revenues started and continued for three consecutive years. Beginning in Fiscal Year 2013, and continuing in Fiscal Year 2014, intergovernmental revenue increased by 11.7% and 7.9%, respectively. The distribution of State-Shared Sales and Income Tax revenue is based upon the relation of the City's population to the total State population while the distribution of Motor Vehicle In-Lieu revenue is based on the City's population in relation to the total incorporated population of Maricopa County.

Overall, General Fund expenditures reduced from $156.3 million in Fiscal Year 2009 to $126.0 million in Fiscal Year 2012, a reduction of 19.3%. The growth in Fiscal Year 2014 expenditures is due primarily to the Arena Management agreement, totaling approximately $14.0 million. Net transfers increased by approximately $8.0 million. This is due primarily to the increase in debt service costs for the Camelback Ranch Spring Training Facility.

The General Fund is made up of one primary fund and multiple General Fund Sub-Funds. The primary General Fund supports the Sub-Funds. The Fiscal Year 2015 General Fund budget process began with a detailed five-year financial forecast presented in December 2013 and had an estimated fund balance reduction of $17.2 million for Fiscal Year 2015 in the primary fund. In order to address this estimated deficit, the City adopted a "zero-based" budget approach. Through several months of City Council Budget Workshops, the actual adopted Fiscal Year 2015 budget reduced this deficit to $2.1 million. This equals the one-time budget impact of Super Bowl XLIX.

Other Operating Funds

The other major operating funds include the Highway User Revenue Fund (HURF), Transportation, Police, and Fire Special Revenue Funds and the Water and Sewer, Sanitation, and Landfill Enterprise Funds (collectively, the "Other Enterprise Funds"). Similar to the General Fund, five-year financial forecasts were presented in February 2014 for the other operating funds in preparation for the Fiscal Year 2015 budget process. These forecasts included revised Fiscal Year 2014 estimates. Preliminary Fiscal Year 2014 actual results were compared to these revised estimates and presented to Council in October 2014. The actual Fiscal Year 2014 operating results outperformed the estimated results in each of these funds.

Going forward, the financial planning for the Other Operating Funds include analyses of compliance with bond covenants for existing debt supported from these funds. In particular, rate reviews are planned in Fiscal Year 2015 for the enterprise funds.

Phoenix Coyotes NHL Hockey Team; Management of City-Owned Arena

The Coyotes of the National Hockey League (NHL) is the anchor tenant in the Arena. The NHL acquired the Coyotes assets in 2009 after the prior owner filed for bankruptcy and the City entered into an agreement with an NHL affiliate to manage the Arena. Pursuant to agreements between the City and the NHL, the Coyotes continued to use the Arena as its home-game venue during the 2010-11, 2011-12, and 2012-13 seasons, but home games in the Arena during the 2012-13 season were interrupted by a labor dispute. The City agreed to pay the NHL a total of $50 million to manage the Arena. The first $25 million payment was made in Fiscal Year 2011. The second $25 million was expensed in Fiscal Year 2012. The City made a cash payment of $20 million into an escrow account for the

NHL to drawn down for equal installments from Fiscal Year 2013 through Fiscal Year 2016. The final planned $5 million payment is to be paid from the General Fund appropriations in Fiscal Year 2017. A total of $45 million was financed through inter-fund advances, as overviewed below.

On July 2, 2013, an Arena Management Agreement with IceArizona was approved by Council with an effective date of August 5, 2013. This fifteen-year agreement pays IceArizona a total management fee of $15 million per year. Additionally, the agreement states the City will make capital improvement contributions of $500,000 per year through Fiscal Year 2019 growing to $1.0 million per year through Fiscal Year 2027. The management fees and capital improvement contributions are offset by a share of revenues generated at the Arena. The Fiscal Year 2014 (a partial fiscal year) net General Fund impact totaled $8.5 million (management fees and capital improvement contributions offset by agreement revenues). The Fiscal Year 2015 budgeted net General Fund impact, the first full fiscal year under the agreement, is budgeted at $8.6 million.

Although this is a fifteen year agreement, there is an early termination provision that states if cumulative losses exceed $50 million over the first five years, the team owner and manager have the right to terminate the agreement. If the agreement is terminated prior to the first five years, the City has the right to $45 million less cumulative arena revenues received prior to the date terminated under the agreement.

Inter-Fund Advances

A total of $45 million in inter-fund advances were made to the General Fund in Fiscal Years 2011 and 2012. $40 million in inter-fund advances were from enterprise funds and $5 million were from General Fund Sub-Funds. As the General Fund Sub-Funds are combined with the primary General Fund, these $5 million advances are not part of the General Fund liability.

As of June 30, 2014, the total General Fund liability for the $40 million inter-fund advance (often referred to as inter-fund loans) totals $39.5 million. These outstanding amounts are from the Water & Sewer, Sanitation, and Landfill enterprise funds. The terms of these advances (repayment amount, interest rate, repayment term, etc.) are set by Council and can be changed by Council. The advances from the enterprise funds are payable through Fiscal Year 2037.

PROPERTY TAXES

Ad Valorem Taxes

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State's property tax system. Beginning in tax year 2015 (for operations beginning in the City's fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the taxable value of property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that are regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

The information which follows under the heading "Ad Valorem Taxes" summarizes the assessment, levy and collection process as it currently exists.

General

For tax purposes in Arizona, real property is either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, "limited property value" and "full cash value," only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. For tax year 2015 and subsequent tax years, the limited property value of real property and improvements, including mobile homes, used for all ad valorem property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was the limited property value, and for the secondary ad valorem tax purposes it was the full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value were not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In general, the Assessor of the County uses a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
Property Tax Assessment Ratios (a)
Fiscal Years 2010-11 through 2014-15

	Assessment as Percentage of Full Cash Value				
Property Classification (b)	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Mining, Utility, Commercial and Industrial (c)(d)	21.0%	20.0%	20.0%	19.5%	19.0%
Agriculture and Vacant Land (c)	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private car Company and Airline Flight Property (e)	17.0%	15.0%	15.0%	15.0%	15.0%

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2014, full cash values up to $141,385 on commercial, industrial and agricultural personal property are exempt from taxation. For tax year 2013, full cash values up to $133,868 on commercial, industrial and agricultural personal property were exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18.5% for tax year 2015 and further reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that these tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject

to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the City, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Property Valuations

The following table lists various property valuations for the City for the current fiscal year.

Valuations for 2014-15 Fiscal Year

Estimated Actual Valuation (a)	$9,500,554,715
Net Secondary Assessed Valuation	1,148,164,650
Net Primary Assessed Valuation	1,095,616,087

(a) Calculated value of actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparisons and Trends

The information set forth below is shown to indicate the ratio between secondary assessed values and estimated actual values for the City, as well as changes in the net secondary assessed valuations of the City and overlapping municipality units on a comparative basis. The basis of property assessment for these years is shown under "Ad Valorem Taxes - Tax Procedures."

City of Glendale
Net Secondary Assessed Value and Estimated
Actual Full Cash Value Comparisons (a)

Fiscal Year	Net Secondary Assessed Valuation	Estimated Actual Valuation (b)	Net Secondary Assessed Valuation as a Percentage of the Estimated Actual Valuation
2014-15	$1,148,164,650	$9,500,554,715	12.09%
2013-14	1,050,893,890	8,460,156,933	12.42%
2012-13	1,149,264,817	9,079,552,277	12.66%
2011-12	1,313,557,625	10,332,582,284	12.71%
2010-11	1,753,569,411	13,531,334,149	12.96%

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.
(b) Actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparison (a)

Fiscal Year	City of Glendale	Percent Change	Maricopa County	Percent Change	State of Arizona	Percent Change
2014-15	$1,148,164,650	9.26%	$35,079,646,593	8.84%	$55,352,051,074	5.24%
2013-14	1,050,893,890	(8.56%)	32,229,006,810	(6.31%)	52,594,377,492	(6.54%)
2012-13	1,149,264,817	(12.51%)	34,400,455,716	(11.25%)	56,271,814,583	(8.80%)
2011-12	1,313,557,625	(25.09%)	38,760,296,714	(22.02%)	61,700,292,915	(18.43%)
2010-11	1,753,569,411	(17.71%)	49,707,952,123	(14.35%)	75,643,290,656	(12.59%)

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

Net Secondary Assessed Valuation by Property Classification

The following table shows a breakdown of the secondary assessed valuation by property classification for the City for the last five years:

	Property Classification	Net Secondary Assessed Valuation (a) 2011	2012	2013	2014	2015
1	Mining, Utilities, Commercial	$705,183,990	$523,112,818	$457,931,612	$399,921,841	$388,607,342
2	Agricultural & Vacant	82,019,663	51,691,663	34,511,646	29,886,641	38,792,733
3	Owner Occupied	752,539,243	570,472,083	508,535,638	452,907,081	515,232,088
4	Rented Residential, Residential Common Areas	207,240,186	161,780,917	141,682,436	162,535,615	200,044,976
5	Railroad, Private Car Companies, Flight Properties	4,353,016	4,054,796	4,178,098	3,346,730	3,629,388
6	Noncommercial Historic, Foreign Trade Zones	2,233,313	2,441,900	2,422,240	2,293,330	1,855,942
7	Commercial Historic	0	0	0	0	0
8	Residential Historic	0	0	0	0	0
9	Improvements on federal, state, county or municipal property	0	3,447	3,145	2,650	2,179
		$1,753,569,411	$1,313,557,625	$1,149,264,817	$1,050,893,890	$1,148,164,650

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: State of Arizona, Department of Revenue.

Estimated Net Secondary Assessed Valuations of Top Ten Taxpayers (a)

Shown below are the top ten property taxpayers located within the City, an estimate of their 2014-15 net secondary assessed value and their relative proportion of the City's net secondary assessed value.

Taxpayer	Type of Property	2014-15 Net Secondary Assessed Valuation	As % of City's Total Secondary Assessed Valuation
Arizona Public Service Company	Electric Utility	$17,899,515	1.56%
VHS of Arrowhead Inc.	Health Care	11,534,968	1.00
Arrowhead Towne Center LLC	Shopping Center	9,624,526	0.84
Thunderbird School of Global Management	Education	7,588,400	0.66
Wal-Mart Stores Inc.	Retail	7,180,160	0.63
Qwest Corporation	Telecommunications	6,421,764	0.56
New Westgate LLC	Office Buildings	6,079,476	0.53
JQH-Glendale AZ Development LLC	Hotel	5,700,000	0.50
Southwest Gas Corporation (T&D)	Gas Utility	4,852,106	0.42
Stadium Development LLC	Developer	4,436,709	0.39
	TOTAL	$81,317,624	7.08%

(a) Some of these taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, the Financial Advisor, Bond

Counsel, Underwriter's Counsel, or the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Special Note: The Salt River Project Agricultural Improvement and Power District assessed valuation is not reflected in the total assessed valuation of the City of Glendale. The Project is subject to a "voluntary contribution" in lieu of ad valorem taxation.

Source: Maricopa County Treasurer's Office and Assessor's Office and the City of Glendale.

Record of Real and Secured Property Taxes Levied and Collected

Property taxes are levied and collected on all taxable property within the City and are certified by the Treasurer of the County. The following table sets forth the City's real and secured personal property tax collected year-to-date for the current fiscal year and for the past five full fiscal years.

		Collected to June 30 End of Tax Fiscal Year (a)		Total Collections (b)	
Fiscal Year	Tax Levy(c)	Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2014-15	$24,429,111	(d)	(d)	$2,892,515	11.84%
2013-14	23,942,746	$23,490,204	98.11%	23,620,453	98.65%
2012-13	21,840,578	21,295,512	97.50%	21,523,328	98.55%
2011-12	20,787,346	20,089,536	96.64%	20,466,925	98.46%
2010-11	27,534,316	26,469,260	96.13%	26,944,122	97.86%
2009-10	33,616,837	32,259,666	95.96%	33,130,255	98.55%

(a) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates unless the full year tax is paid by December 31. Penalties for delinquent payments are not included in the above collections figures. See "PROPERTY TAXES - Tax Procedures" herein.
(b) Reflects collections made through October 24, 2014, against current and prior levies.
(c) Tax levy amount shown is based on the original levy set by the County and does not reflect adjustments.
(d) In the process of collection.

Source: Maricopa County Treasurer's Office.

Tax Rate Data

The tax rates provided below reflect the total property tax rate levied by the City. As such, the rates are the sum of the tax rate for debt service payments, which is levied against the City's secondary assessed value, and the tax rate for all other purposes, which is levied against the primary assessed value within the City.

Fiscal Year	City's Primary Tax Rate Per $100 Assessed	City's Secondary Tax Rate Per $100 Assessed	City's Total Tax Rate Per $100 Assessed
2014-15	$0.4896	$1.6605	$2.1501
2013-14	0.4974	1.7915	2.2889
2012-13	0.2252	1.6753	1.9005
2011-12	0.2252	1.3699	1.5951
2010-11	0.2252	1.3699	1.5951

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values,* Arizona Tax Research Foundation.

Debt Limitation

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a city's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's net secondary assessed valuation. In the following computation of the City's borrowing capacity, general obligation bonds that are to be supported from enterprise funds are included in the appropriate category.

Water, Sewer, Light, Parks and Open Space, Transportation and Public Safety Purpose Bonds		All Other General Obligation Bonds	
20% Constitutional Limitation	$229,632,930	6% Constitutional Limitation	$68,889,879
Direct General Obligation Bonds Outstanding (a)	144,930,000	Direct General Obligation Bonds Outstanding (a)	2,880,000
Unused 20% Limitation Borrowing Capacity	$84,702,930	Unused 6% Limitation Borrowing Capacity	$66,009,879

(a) The Direct General Obligation Bonds Outstanding reflects the defeasance of the Bonds Being Refunded and the issuance of the Bonds. Excludes debt service fund balances.

Outstanding Bonded Indebtedness

The following table lists the outstanding General Obligation Bonds for the City.

Direct General Obligation Bonded Debt[2]

Purpose	Year Issued	Original Amount	Outstanding Portion Subject to 6% Limit	Outstanding Portion Subject to 20% Limit	Total Principal Outstanding
Various Purpose G.O. Bonds	2003	$66,400,000	None	$4,335,000	$4,335,000
Various Purpose G.O. Bonds	2004	36,645,000	None	14,615,000	14,615,000
Various Purpose G.O. Bonds	2005	11,960,000	$1,395,000	None	1,395,000
Various Purpose G.O. Bonds	2006	29,365,000	335,000	15,650,000	15,985,000
Refunding Bonds	2006	9,065,000	None	2,010,000	2,010,000
Various Purpose G.O. Bonds	2007	61,000,000	None	37,155,000	37,155,000
Various Purpose G.O. Bonds	2009	41,650,000	1,150,000	35,340,000	36,490,000
Refunding Bonds	2010	38,300,000	None	35,825,000	35,825,000
Total Direct General Obligation Bonded Debt			$2,880,000	$144,930,000	$147,810,000
Net General Obligation Bonded Debt					$147,810,000

Outstanding Water and Sewer Revenue Bonded Debt

The following table lists the outstanding Water and Sewer Revenue Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Water and Sewer Obligations	2006	$80,000,000	$65,285,000
Water and Sewer Obligations	2007	44,500,000	35,305,000
Water and Sewer Obligations	2008	65,500,000	50,930,000
Water and Sewer Obligations	2010	25,685,000	25,685,000
Water and Sewer Obligations	2012	77,635,000	75,910,000
Total Water and Sewer Revenue Bonded Debt			$253,115,000

Outstanding Street and Highway User Revenue Bonded Debt

The following table lists the outstanding Street and Highway Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Street & Highway User Revenue Bonds	2006	$15,745,000	$3,700,000
Total Street and Highway User Revenue Bonded Debt			$3,700,000

Outstanding Transportation Excise Tax Revenue Bonded Debt

The following table lists the outstanding Transportation Excise Tax Revenue Obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Transportation Excise Tax Revenue Obligations	2007	$109,110,000	$88,015,000
Total Transportation Excise Tax Revenue Bonded Debt			$88,015,000

Outstanding Excise Tax Revenue Bonded Debt

The following table lists the outstanding Excise Tax debt obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Senior Lien Excise Tax Bonds			
Senior Lien Bonds (Taxable Series 2003B)	2003	$105,260,000	$94,620,000
Senior Lien Bonds (Series 2006A)	2006	33,250,000	24,145,000
Senior Lien Bonds (Series 2008A)	2008	32,315,000	32,220,000
Senior Lien Bonds (Series 2008B)	2008	52,780,000	48,835,000
Senior Lien Bonds (Taxable Series 2008C)	2008	9,140,000	1,000,000
Senior Lien Bonds (Series 2012A)	2012	8,665,000	8,665,000
Senior Lien Refunding Bonds (Series 2012B)	2012	39,620,000	39,620,000
Total Senior Lien Excise Tax Bonds			*$249,105,000*
Subordinate Lien Excise Tax Bonds			
Subordinate Lien Refunding Bonds (Series 2002B)	2002	5,055,000	5,055,000
Subordinate Lien Refunding Bonds (Series 2003D)	2003	7,250,000	7,250,000
Subordinate Lien Refunding Bonds (Series 2012C)	2012	183,405,000	183,405,000
Subordinate Lien Refunding Bonds (Taxable Series 2012D)	2012	16,850,000	14,770,000
Total Subordinate Lien Excise Tax Bonds			*$210,480,000*
		Total Other Excise Tax Revenue Bonded Debt	$459,585,000

[1] Does not include debt paid from Unrestricted Excise Taxes.

[2] The City has voter authorization to issue up to $362,839,000 of general obligation bonds as of June 30, 2014. The City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied. [Confirm: The City does not expect that any sequester of federal subsidies resulting from the Budget Control Act of 2011 with respect to Build America Bonds would have a material adverse effect on its ability to pay general obligation bond debt service.]

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Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding (a)

The following table lists the annual debt service requirements of the City's outstanding general obligation debt.

Fiscal Year Ending	Outstanding General Obligation Debt Service Requirements		Direct Payments (b)	Plus: The Bonds		Less: Enterprise Supported Debt*(d)	Non-Enterprise General Obligation Requirements*(e)
	Principal	Interest		Principal*	Interest (c)		
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							

(a) Rows may not add due to rounding.

(b) Reflects payments anticipated to be received by the City from the United States Treasury (the "Direct Payments") in association with the Series 2010B Bonds. These bonds were issued as "Build America Bonds," for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government, subject to any reductions in such amounts made by the federal government. In fiscal year 2012-13 and each subsequent fiscal year to date, the federal government has reduced the subsidy payments to the interest payments and it is expected that such reductions will continue in the current and future years until altered by the federal government.

(c) The first interest payment date is July 1, 2015*. Interest is estimated.

(d) Represents general obligation bonds for which the debt service is currently paid, and is anticipated to continue to be paid, from various enterprise fund revenues of the City.

(e) Does not reflect amounts held in reserve in the City's Debt Service Fund. As of August 31, 2014, such amounts were [$30.3 million (unaudited)].

* Preliminary, subject to change.

Net Direct and Overlapping General Obligation Bonded Debt

Overlapping bonded debt figures were compiled from information obtained from the County Treasurer's office and individual jurisdictions. A breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, net secondary assessed valuation and combined tax rate per $100 assessed valuation follows. Outstanding bonded debt is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale.

The applicable percentage of each jurisdiction's assessed valuation which lies within the City's boundaries (see the "Approximate Percent" column below) was derived from information obtained from the County Assessor's Office.

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to City of Glendale		2014-15 Combined Tax Rate Per $100 Assessed (b)
			Approx. Percent	Amount	
State of Arizona (c)	$52,594,377,492	None	2.88%	None	$0.5123(d)
Maricopa County	35,079,646,593	None	4.64%	None	1.5157(e)
Maricopa Community College District	35,079,646,593	$654,190,000	4.64%	$30,354,888	1.5187
Western Maricopa Education Center (West-Mec)	13,001,468,671	59,045,000	8.45%	4,987,292	0.0810
Washington Elementary School District No. 6	1,142,089,326	67,475,000	2.67%	1,800,228	5.7015
Glendale Elementary School District No. 40	261,008,520	21,040,000	99.13%	20,856,074	6.4671
Alhambra Elementary School District No. 68	272,908,842	80,000	18.29%	14,636	7.0020
Litchfield Elementary School District No. 79	652,775,053	30,000,000	0.11%	32,157	3.7780
Pendergast Elementary School District No. 92	271,309,761	27,130,000	24.23%	6,574,163	7.1900
Peoria Unified School District No. 11	1,471,213,352	220,825,000	20.50%	45,278,209	7.2708
Dysart Unified School District No. 89	1,131,758,071	167,605,000	0.06%	108,299	7.1239
Deer Valley Unified School District No. 97	2,202,994,012	190,775,000	19.98%	38,116,084	6.4789
Glendale Union High School District No. 205	1,403,097,846	109,690,000	20.61%	22,608,613	4.4189
Phoenix Union High School District No. 210	4,372,062,126	295,670,000	1.14%	3,376,426	4.6196
Tolleson Union High School District No. 214	945,905,222	43,300,000	6.95%	3,009,514	4.5348
Agua Fria Union High School District No. 216	975,254,176	48,970,000	0.07%	35,134	4.2005
City of Glendale (f)	**1,148,164,650**	**147,810,000**	**100.00%**	**147,810,000**	**2.1501**
Total Net Direct and Overlapping General Obligation Bonded Debt				**$309,364,891***	$74.9056

(a) Includes general obligation bonds outstanding less general obligation bonds supported from enterprise revenues. Does not include the Salt River Project Agricultural Improvement and Power District general obligation bonded debt. Such debt has been refunded in advance of maturity and is secured for payment by government securities held in an irrevocable trust.

* Preliminary, subject to change.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% is interest bearing and the remaining 27% is non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of secondary assessed valuation, of which fourteen cents is being currently levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

The following table lists general obligation bonds that are authorized, but unissued, for each of the overlapping jurisdictions.

Jurisdiction	Authorized But Unissued General Obligation Bonds
City of Glendale	$362,839,000
Western Maricopa Education Center (West-Mec)	14,900,000
Washington Elementary School District No. 6	35,000,000
Glendale Elementary School District No. 40	9,200,000
Litchfield Elementary School District No. 79	9,675,000
Pendergast Elementary School District No. 92	8,510,000
Peoria Unified School District No. 11	108,800,000
Dysart Unified School District No. 89	67,960,000
Deer Valley Unified School District No. 97	158,315,000
Glendale Union High School District No. 205	8,435,000
Phoenix Union High School District No. 210	105,000,000
Agua Fria Union High School District No. 216	9,300,000

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity and the tax rate for all other purposes such as maintenance and operation and capital outlay which is based on the primary assessed valuation of the entity.

(c) Net secondary assessed valuation and combined tax rates for the State of Arizona are for fiscal year 2013-14, as such data is not currently available for fiscal year 2014-15.

(d) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2013-14 has been set at $0.5123 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276. The monies received from this tax are distributed to school districts in the State.

(e) The tax rate includes the $1.3209 county tax rate, the $0.1392 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the Maricopa County Free Library District. It should be noted that the County Flood Control District does not levy taxes on real property.

(f) Includes outstanding general obligation debt as of October 1, 2014; does not include certain outstanding City Revenue Bonds and Obligation previously issued by the City and payable from revenue sources other than property taxes.

Net Direct and Overlapping General Obligation Bonded Debt Ratios

The City's direct and overlapping general obligation bonded debt is shown below on a per capita basis and as a percent of the City's net secondary assessed value and estimated actual value.

	Per Capita Net Debt (Pop. @ 231,109 (a))	As Percent of City's 2014-15 Net Secondary Assessed Valuation ($1,148,164,650)	As Percent of City's 2014-15 Estimated Actual Valuation ($9,500,554,715)
Net Direct General Obligation Bonded Debt ($147,810,000*) (b)	$2,243.97	12.87%	1.56%
Net Direct and Overlapping General Obligation Bonded Debt ($309,364,891*) (c)	$4,696.60	26.94%	3.26%

(a) The population count is provided by the City of Glendale Planning Department. See "POPULATION STATISTICS" table on page A-1.

(b) Excludes approximately [$6,485,000] of general obligation bonds paid, or to be paid, by revenues derived from the City's Water and Sewer Fund.

(c) Overlapping debt from "DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT" table on page A-15.

Source: City of Glendale, Maricopa County Treasurer's Office

OTHER INDEBTEDNESS AND OBLIGATIONS

Lease Purchase Financing

The City has entered into lease-purchase agreements for the acquisition of vehicles, landfill equipment, computer equipment and other equipment. These agreements are renewable annually at the option of the City, with payments due thereunder to be annually budgeted and encumbered in the City's General Fund, or in the case of certain sanitation equipment, in the Sanitation Enterprise Fund. Assuming that these agreements are not terminated or prepaid, the City's annual budget requirements to service these agreements would be as follows:

Lease-Purchase Agreements
City of Glendale, Arizona
(Thousands)

Fiscal Year	Annual Capital Lease Requirements
2015	$1,803,454
2016	3,358,809
2017	3,307,215
2018	3,307,115
2019	1,178
Total Minimum Lease Payments	11,777,771
Less: Amount Representing Interest	(1,417,061)
Present Value of Net Minimum Lease Payments	$10,360,710

Source: City of Glendale Finance Department.

As illustrated in [Note X.I] in Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", the City has other obligations in the amount of $_____ outstanding as of June 30, 2014.

* Preliminary, subject to change.

PENSION AND RETIREMENT PLANS

Employee Retirement Systems and Pension Plans and Other Post-Employment Benefits

The City contributes to three separate defined benefit pension plans for the benefit of all full-time employees and elected officials, two of the plans are described fully below. **Please refer to ["Note XVII"] of Appendix [__] hereto for a more detailed description of these plans and the City contributions to the various plans**.

The Arizona State Retirement System ("ASRS"), a cost-sharing, multiple employer defined benefit plan, has reported increases in its unfunded liabilities. The most recent annual reports for the ASRS may be accessed at: https://www.azasrs.gov/content/annualreports. The increase in ASRS' unfunded liabilities is expected to result in increased future annual contribution to ASRS by the City and its employees.

For the year ended June 30, 2014, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 11.54% (10.70% for retirement, 0.60% for health insurance premiums, and 0.24% long-term disability) of the members' annual covered payroll. The ASRS ACR rate was 9.20%. The City's employer contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were $6,307, $6,346, and $6,876, respectively, which were equal to the required contributions for the year. The City's employee contributions to ASRS were equal to the employers required contributions.

Additionally, other enacted State legislation made changes to how ASRS operates, effective July 1, 2011, which includes requiring employers to pay an alternative contribution rate for retired employees of ASRS that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a Defined Contribution and Retirement Study Committee (as defined in the legislation) that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.]

The Arizona Public Safety Personnel Retirement System ("PSPRS"), an agent multiple-employer defined benefit plan that covers public safety personnel who are regularly assigned to hazardous duties, for which the Arizona State Legislature establishes and may amend active plan members' contribution rate, has reported increases in its unfunded liabilities. The most recent annual reports for the PSPRS may be accessed at http://www.psprs.com/sys_psprs/AnnualReports/cato_annual_rpts_psprs.htm. The increase in the PSPRS's unfunded liabilities is expected to result in increased future annual contributions to PSPRS by the City and its employees, however the specific impact on the City, or on the City's and its employees' future annual contributions to the PSPRS, cannot be determined at this time.

For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 24.54% for fire and 27.98% for police, the aggregate of which is the actuarially required amount. The PSPRS ACR rates for both Fire and Police were 17.07%. The health insurance premium portion of the contribution for fire and police members was computed as $125 and $280 for the year ended June 30, 2013, respectively.

New Reporting Requirements. Governmental Accounting Standards Board ("GASB") Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, improves financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement requires the use of carrying values to measure the assets and liabilities in a government merger and requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged.

GASB Statement No. 70, Accounting and Reporting for Nonexchange Financial Guarantees, improves financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. In addition, this statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

Other Post-Employment Benefits

In fiscal year 2007-08, the City implemented GASB Statement No. 45, Accounting by Employers for Post-Employment Benefits Other than Pensions ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. Plan benefits covered by GASB 45 must be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, the reporting of such costs as a financial statement liability.

Other than the retirement plans, the City is not required to provide post-employment benefits. However, the City does allow all of its retired employees to participate in the health care and life insurance plan provided to active employees, and at the same rates, except that beginning June 30, 2014 the City no longer pays any portion of the retiree or their family member's premiums. Active employees' rates are subsidized by the City as their employer. The City engaged an actuary to perform calculations of the City's liability with respect to other post-employment benefits. In its report dated September 22 2014, the actuary determined that the City's liability for other post-employment benefits that Governmental Accounting Standards Board Statement 45 requires the City to include in its comprehensive annual financial statement balance sheet was approximately $65.8 million at June 30, 2014, which includes amortization of the unfunded $69.5 million actuarial liability over 30 years.

OTHER FINANCIAL MATTERS

Insurance

In January 1987, the City Council established a risk management fund for torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster. The City's risk management fund purchases commercial insurance for property, aviation, Inland Marine, errors and omissions, boiler and machinery, special events and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with $1 million of self-insurance retention for claims incurred on or after July 1, 1998.

Funds receiving insurance coverage pay monthly premiums to the risk management fund based upon an actuarial review. Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of $500 for each workers' compensation claim and purchases commercial insurance for claims in excess of $500. Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon a budget model taking into consideration prior loss experience, staffing level, and the National Council on Compensation insurance workers' compensation manual rates. Premium payments to insurance carriers are made directly from the workers' compensation fund. There have been no settlements paid in excess of insurance in any of the past three years. See Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", Note VII.B for further information.

In the fall of 2012, the internal auditor of the city performed an audit on the Risk Management and Workers Compensation trust funds. The audit noted some payments out of the trust funds that may not have been appropriate uses of the trust funds. The City Manager met with City Council to detail all findings in the audit in December, 2012. Subsequently, management addressed all of the audit findings and presented those results to the Council in two meetings, November 19, 2013 and June 4, 2014. Currently, the Risk Management and Workers Compensation Funds are above the 55% confidence level.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

DRAFT

[LETTERHEAD OF GREENBERG TRAURIG]

[Closing Date]

Mayor and Council of the
City of Glendale, Arizona

Re: City of Glendale, Arizona General Obligation Refunding Bonds, Series 2015

We have examined copies of the proceedings of the Mayor and Council of the City of Glendale, Arizona (the "City"), and other proofs submitted to us relative to the issuance of the captioned Bonds (the "Bonds"), described more particularly as follows:

$____,000*
City of Glendale, Arizona
General Obligation Refunding Bonds,
Series 2015

Dated the Date Hereof

Bearing interest (payable July 1, 2015*, and semiannually thereafter on January 1 and July 1) at the rate per annum, and maturing on July 1 of each year, in the years and amounts, as follows:

Year	Principal Amount	Interest Rate
2016	_____	__.___%
2017	_____	__.___%
2018	_____	__.___%
2019	_____	__.___%
2020	_____	__.___%
2021	_____	__.___%

Principal of the Bonds being payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., the Bond Registrar and Paying Agent, and semiannual interest being payable by check mailed to the registered owners thereof, as shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding that interest payment date.

The Bonds being subject to redemption as described in the hereinafter defined Ordinance.

* Preliminary, subject to change.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force and that the Bonds are valid and legally binding obligations of the City, all of the taxable property within which is subject to the levy of a tax without limitation as to rate, but limited to a total amount not greater than the total aggregate principal and interest to become due on the bonds being refunded with proceeds of the sale of the Bonds (the "Bonds Being Refunded") from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The net proceeds of the Bonds have been deposited in an irrevocable trust for the payment of the Bonds Being Refunded with interest on maturity or upon an available redemption date. The owners of the Bonds must rely on the sufficiency of such funds for payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such funds prove insufficient.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and the interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retro-active to their date of issuance. The Mayor and Council of the City have resolved in Ordinance No. _____, adopted by the Mayor and Council of the City on November 24, 2014 (the "Ordinance"), to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof with respect to such covenants, the City has full legal power and authority to comply with such covenants.) We express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds. In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights. The enforcement of those rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CITY OF GLENDALE ("CITY")
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Glendale, Arizona (the "City") in connection with the issuance of its General Obligation Refunding Bonds, Series 2015 (the "Bonds"). The Bonds are being issued pursuant to the City's Ordinance No. _____ adopted on November 24, 2014 (the "Ordinance").

The City covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. As of the date of this Undertaking, information regarding submissions to EMMA is available at http://emma.msrb.org/submission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Listed Event" means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

"Listed Events Disclosure" means dissemination of a notice of a Listed Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an Underwriter in the primary offering of the Bonds.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Arizona.

"Undertaking" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Bonds is 378280. The Final Official Statement relating to the Bonds is dated January ___, 2015 (the "Final Official Statement").

4. Annual Information Disclosure. Subject to Section 8 and Section 13 of this Undertaking, the City shall disseminate its Annual Information and its Audited Financial Statement, if any, (in the form and by the dates set forth in Exhibit I) through EMMA. The City is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided through EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner Listed Events Disclosure through EMMA. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Bonds pursuant to the Indenture.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default under the Ordinance. The sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds, as determined by a counsel or other entity unaffiliated with the City.

8. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The City shall give notice in a timely manner if this Section is applicable through EMMA.

9. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. The City shall maintain records of all Annual Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Subject to Appropriation. Pursuant to Arizona law, the City's undertaking to provide information under this Disclosure Undertaking is subject to appropriation to cover the costs of preparing and mailing the Annual Information and notices of material events to EMMA. Should funds that would enable the City to provide the information required to be disclosed hereunder not be appropriated, then notice of such fact will be made in a timely manner to EMMA.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

CITY OF GLENDALE, ARIZONA

By:_____
Its: Chief Financial Officer
Address: 5850 West Glendale Avenue
Glendale, Arizona

Date: [Closing Date]

Exhibit I

Annual Financial Information and Timing and Audited Financial Statements

"Annual Financial Information" means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION/TABLE	PAGE

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; the Final Official Statement need not be available through EMMA or the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each through EMMA, on or before February 1 of each year, commending February 1, 2016 for information as of the previous June 30 (unless otherwise specified). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included and the Audited Financial Statements shall be subsequently provided within 30 days after their availability to the City.

Audited Financial Statements will be prepared according to GAAP standards, as applied to governmental units as modified by State law.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

Exhibit II

Events with respect to the Bonds
for which Listed Events Disclosure is Required

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity provider, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other notices or determinations, in each case, with respect to the tax status of the Bonds.

7. Modifications to the rights of security holders, if material.

8. Obligation calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution or sale of property securing repayment, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Whether event listed above subject to the standard "material" would be material shall be determined under applicable federal securities laws.

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2014

See information under the heading "FINANCIAL STATEMENTS" herein.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE CITY, BOND COUNSEL, THE FINANCIAL ADVISOR OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds in the aggregate principal amount of the Bonds and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of beneficial interests in the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of a beneficial interest in a Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds such as redemptions, defaults, and proposed amendments to the Ordinance. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will, if applicable, consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments represented by the Bonds will be made by the Bond Registrar and Paying Agent to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Bond Registrar and Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Bond Registrar and Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Bond Registrar and Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Bond Registrar and Paying Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Bond Registrar and Paying Agent or the City. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

NEITHER THE CITY NOR THE BOND REGISTRAR AND PAYING AGENT WILL HAVE RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS OR TO INDIRECT PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE ORDINANCE; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH

RESPECT TO THE BONDS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF BONDS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered Owner of the Bonds, as nominee for DTC, references herein to "Owner" or registered owners of the Bonds (other than under the heading "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Paying Agent to DTC only.

File #: 14-434, **Version:** 1

ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF CITY OF GLENDALE, ARIZONA WATER AND SEWER REVENUE BONDS AND OBLIGATIONS WITH THE SALE AND ISSUANCE OF CITY OF GLENDALE, ARIZONA WATER AND SEWER REVENUE REFUNDING OBLIGATIONS AND PLEDGE WATER AND SEWER REVENUES TOWARD THE REFUNDING OBLIGATIONS

Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager or Chief Financial Officer to execute documents and take the necessary action to refinance a portion of City of Glendale, Arizona Water and Sewer Revenue Bonds and Obligations with City of Glendale, Arizona Water and Sewer Refunding Obligations in a par amount which under current bond market conditions savings is estimated to be $5.0 TO $8.6 million. Representatives from RBC Capital Markets, LLC, the City's Financial Advisor, and Greenberg Traurig, LLP, the City's Bond Counsel, will be available for questions.

Background

During the FY14-15 Budget Workshops, Council directed staff to examine its contractual obligations and evaluate refinancing opportunities. On October 14, 2014, Council approved an agreement with RBC Capital Markets, LLC (RBC) to be the City's Financial Advisor. RBC subsequently identified several refinancing opportunities available to the City.

Subsequent to October 14, staff has worked closely with RBC and Greenberg Traurig, LLP, the City's Bond Counsel to develop the documentation and identify the structure of potential debt service cost savings through debt refinancing.

City of Glendale, Water and Sewer Revenue Obligations

The City currently has water and sewer revenue bonds/obligations outstanding which have been used to finance the construction, acquisition, and equipping of water and sewer facilities and related systems and infrastructure. These revenue obligations are secured solely by the net revenues of the water and sewer utility which consist of user fees collected from customers, development impact fees, interest income and other operating revenues.

Currently, there is a total of $253,115,000 of par amount outstanding Water and Sewer Revenue Bonds/Obligations payable from the utility. The current debt service payments on the bonds/obligations are

through FY29-30 with payments averaging $24.7 million through FY27-28 and dropping to an average of $7.3 million through FY29-30.

Currently, there are no projects in the most recent Capital Improvement Plan (CIP) that are listed as debt financed.

Analysis

Water and Sewer Obligation Refinancing

Five series of water and sewer obligations are outstanding totaling $253,115,000. Based on an analysis by RBC, three series of water and sewer obligations would currently provide debt service savings through a refinancing as follows:

- Series 2006 - Par amount available to refinance = $61,145,000
- Series 2007 - Par amount available to refinance = $28,970,000
- Series 2008 - Par amount available to refinance = $39,340,000

It is important to note that debt service savings is conditional on bond market interest rates at the time of refinancing. As the market is subject to change, the City will only execute the transaction if net savings, after paying all costs of issuance, are realized at the time of the transaction. The proposed ordinance requires that the refinancing savings, net of all costs, shall equal at least 2.5% of the par amount of the bonds being refinanced. The debt service savings directly benefits the City's water and sewer utility.

In order to achieve the lowest cost of borrowing, The bonds will be sold to investors by a syndicate of bond underwriting firms (who in turn would sell the bonds to investors in the bond market) or to a bank purchaser as determined by the City Manager or Chief Financial Officer. In order to achieve the lowest cost of borrowing, City staff in conjunction with the City's Financial Advisor, will competitively solicit bond underwriters and banks to determine the most cost effective borrowing approach. It is anticipated that the sale and refinancing of the obligations will occur in January 2015.

Community Benefit/Public Involvement

Bond refinancing directly impacts the cost of borrowing (debt service costs) of the City and allows the City to structure debt service payments to its advantage. This is a complicated process involving City staff, the City's Financial Advisor, the City's Bond Counsel, and other financing participants. Financial advisors have a fiduciary responsibility to the City and are critical in structuring deals that minimize costs, create financial flexibility, or address financial challenges a City may face. Bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements are met and works closely with City staff and the City's financial advisor to ensure relevant legal issues are addressed.

Budget and Financial Impacts

If savings cannot be realized, the bond refinancing will not take place. The debt service savings can only be calculated upon execution of the transaction currently anticipated for January 2015.

ORDINANCE NO. 2920 NEW SERIES

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT, A TRUST AGREEMENT, A DEPOSITORY TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING AND AN OBLIGATION PURCHASE CONTRACT; (2) APPROVING THE SALE, EXECUTION AND DELIVERY OF WATER AND SEWER REVENUE REFUNDING OBLIGATIONS IN ONE OR MORE SERIES IN ORDER TO REFUND WATER AND SEWER TAX REVENUE OBLIGATIONS PREVIOUSLY DELIVERED TO FINANCE IMPROVEMENTS OF THE CITY'S WATER AND SEWER SYSTEM; (3) PLEDGING CERTAIN WATER AND SEWER SYSTEM REVENUES IMPOSED OR RECEIVED BY THE CITY TO THE PAYMENT OF SUCH OBLIGATIONS; (4) DELEGATING TO THE CITY MANAGER OR THE CHIEF FINANCIAL OFFICER OF THE CITY THE LIMITED AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND OTHER MATTERS WITH RESPECT TO SUCH OBLIGATIONS; AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT.

WHEREAS, the City executed and delivered a Trust Agreement dated as of February 1, 2006 (the "2006 Trust Agreement") and a Purchase Agreement dated as of February 1, 2006 (the "2006 Purchase Agreement"), pursuant to which Subordinate Lien Water and Sewer Revenue Obligations, Series 2006 (the "2006 Obligations"), in an aggregate principal amount of $80,000,000, evidencing a proportionate interest of the owners of the 2006 Obligations in purchase price payments to be made by the City, were executed and delivered on February 28, 2006; and

WHEREAS, the City executed and delivered a Trust Agreement dated as of June 1, 2007 (the "2007 Trust Agreement") and a Purchase Agreement dated as of June 1, 2007 (the "2007 Purchase Agreement"), pursuant to which Subordinate Lien Water and Sewer Revenue Obligations, Series 2007 (the "2007 Obligations"), in an aggregate principal amount of $44,500,000, evidencing a proportionate interest of the owners of the 2007 Obligations in

purchase price payments to be made by the City, were executed and delivered on June 27, 2007; and

WHEREAS, the City executed and delivered a Trust Agreement dated as of March 1, 2008 (the "2008 Trust Agreement") and a Purchase Agreement dated as of March 1, 2008 (the "2008 Purchase Agreement"), pursuant to which Subordinate Lien Water and Sewer Revenue Obligations, Series 2008 (the "2008 Obligations"), in an aggregate principal amount of $65,500,000, evidencing a proportionate interest of the owners of the 2008 Obligations in purchase price payments to be made by the City, were executed and delivered on March 19, 2008; and

WHEREAS, the City executed and delivered a Trust Agreement dated as of November 1, 2010 (the "2010 Trust Agreement") and a Purchase Agreement dated as of November 1, 2010 (the "2010 Purchase Agreement"), pursuant to which Subordinate Lien Water and Sewer Revenue Obligations, Series 2010A (Taxable Direct Pay Build America Bonds) (the "2010 Obligations"), in an aggregate principal amount of $25,685,000, evidencing a proportionate interest of the owners of the 2010 Obligations in purchase price payments to be made by the City, were executed and delivered on November 30, 2010; and

WHEREAS, the City executed and delivered a Trust Agreement dated as of February 1, 2012 (the "2012 Trust Agreement") and a Purchase Agreement dated as of February 1, 2012 (the "2012 Purchase Agreement"), pursuant to which Senior Lien Water and Sewer Revenue Refunding Obligations, Series 2012 (Taxable Direct Pay Build America Bonds) (the "2012 Obligations"), in an aggregate principal amount of $77,635,000, evidencing a proportionate interest of the owners of the 2012 Obligations in purchase price payments to be made by the City, were executed and delivered on February 9, 2012; and

WHEREAS, the 2006 Trust Agreement, the 2007 Trust Agreement, the 2008 Trust Agreement, the 2010 Trust Agreement, the 2012 Trust Agreement, the 2006 Purchase Agreement, the 2007 Purchase Agreement, the 2008 Purchase Agreement, the 2010 Purchase Agreement and the 2012 Purchase Agreement describe the terms and conditions upon which additional water and sewer obligations may be issued; and

WHEREAS, the City proposes to refinance the Refunded Obligations (as defined herein) in order to achieve debt service savings through the issuance of Obligations (as defined herein) evidencing proportionate interests of the owners of such Obligations in payments to be made by the City in the Purchase Agreement (as defined herein); and

WHEREAS, the Obligations will be issued pursuant to the Trust Agreement between the City and the Trustee (as such terms are defined herein); and

WHEREAS, pursuant to the Purchase Agreement, the City will sell to the Trustee its residual rights in the respective properties subject to the applicable purchase agreements after the repayment of the applicable obligations and repurchase such rights from the Trustee (the "Residual Rights") ; and

WHEREAS, the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge Net Revenues (as defined herein) on a priority of lien basis determined as provided herein; and

WHEREAS, the Obligations may be sold by negotiated sale and if appropriate, may be reoffered pursuant to the Preliminary Official Statement and Official Statement (as such terms are defined herein); and

WHEREAS, there have been presented to the City Council of the City at the meeting of the City Council of the City at which this Ordinance is being adopted, the proposed form of Preliminary Official Statement, if needed, which may be distributed in connection with the offer and sale of the Obligations (the "Preliminary Official Statement") and there have been placed on file with the City Clerk the proposed forms of the following documents: (i) Purchase Agreement to be dated as of February 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Purchase Agreement") by and between the City and the Trustee, (ii) Trust Agreement to be dated as of February 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Trust Agreement"), (iii) continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), if required pursuant to Rule 15c2-12 of the Securities and Exchange Commission, and (iv) depository trust agreement to be dated as of February 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Depository Trust Agreement"); and

WHEREAS, this Council desires to authorize the execution and delivery of the Purchase Agreement, the Trust Agreement, the Continuing Disclosure Undertaking and the Depository Trust Agreement (collectively, the "Basic Documents") and such other documents as may be necessary in connection with the execution and delivery of said Basic Documents, the pledge of Net Revenues for the payment of the amounts due under the Purchase Agreement and the issuance of the Obligations.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE AS FOLLOWS:

SECTION 1. In addition to words and terms elsewhere defined in this Ordinance, the capitalized words and terms used herein shall have the meaning given in Article 1 of the Trust Agreement.

SECTION 2. The sale and purchase of the Residual Rights pursuant to the Purchase Agreement are hereby approved; and the installment purchase payments (the "Purchase Payments") specified in the Purchase Agreement are hereby approved (but subject to the limitations on the source of City payments as set forth in Section 3). The City Manager is hereby authorized and directed to execute the Basic Documents on behalf of the City in substantially the form on file with the City Clerk with such modifications, insertions and changes as may be approved by the executing officials, which approval shall be conclusively evidenced by their execution of the Basic Documents. If more than one series of obligations are issued, Basic Documents shall include additional agreements necessary to provide for such series.

SECTION 3. For the payment of the Purchase Payments due and payable under the Purchase Agreement authorized in Section 2 hereof, there are hereby pledged the City's Net Revenues on a priority of lien basis to be determined as set forth in Section 5 hereof. It is intended that this pledge of Net Revenues will be sufficient to make the Purchase Payments pursuant to the Purchase Agreement and the City agrees and covenants to make said Purchase Payments from such Net Revenues, except to the extent that it chooses to make such payments from other funds, as permitted by law. Neither the Purchase Agreement nor the promise to pay pursuant thereto nor the Obligations constitute a general obligation of the City nor shall the City be liable for the payments under the Purchase Agreement from ad valorem taxes.

SECTION 4. The City Council of the City hereby finds and determines that the refinancing of the Refunded Obligations pursuant to the terms of the Purchase Agreement and the Trust Agreement, through the issuance and the sale of the Obligations, are in furtherance of the purposes of the City and in the public interest and will enhance the standard of living within the City and within the State.

SECTION 5. The City hereby approves the issuance and delivery of the Obligations in an aggregate principal amount not to exceed the amount necessary to refund the Refunded Obligations and to pay costs of issuance, provided that such refinancing shall result in a present value debt service savings net of all costs associated with the Obligations of at least two and one-half percent (2.5%).

The Obligations shall be in the denomination of $5,000 or any integral multiple thereof, shall be dated as determined by the City Manager or the Chief Financial Officer, shall bear interest from such date payable on January 1 and July 1 of each year, commencing as determined by the City Manager or the Chief Financial Officer, and shall be fully registered bonds without coupons. The Obligations shall mature on July 1 in the years determined by the City Manager or the Chief Financial Officer but not later than the latest maturity of the Refunded Obligations.

The forms, terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange and number shall be as set forth in the Trust Agreement and are hereby approved.

The City Manager or the Chief Financial Officer is hereby authorized and directed to determine on behalf of the City: (i) the principal amount of the Obligations; (ii) the final maturity schedule of the Obligations; (iii) the provisions for redemption in advance of maturity or payment of the Obligations; (iv) the interest rates on the Obligations; (v) the sales price and terms of the purchase of the Obligations (including the underwriter's discount and the original issue discount or premium), (vi) the determination as to which series of Obligations shall be Senior Obligations and which shall be Subordinate Obligations (as defined in the Trust Agreement), (vii) the provisions for credit enhancement, if any, for the Obligations including a debt service reserve fund or surety bond; (viii) the provisions for a capitalized interest or contingency amount, if any, if deemed to be in the best interests of the City (ix) the selection of any or all of the 2006 Obligations, 2007 Obligations and 2008 Obligations to be refunded (the "Refunded Obligations") and (x) the identity of the financial institution to serve as trustee under the Trust Agreement (the "Trustee").

The provisions for redemption of the Obligations shall be as set forth in the Trust Agreement.

The forms and other terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange, and number shall be as set forth in the Trust Agreement and are hereby approved.

SECTION 6. The City Manager or the Chief Financial Officer are authorized to (i) determine whether the Obligations are to be sold pursuant to negotiated sale either to one or more underwriters as described in the Official Statement or to one or more financial institutions on a private placement basis and (ii) confirm such sale through the execution and delivery of an obligation purchase contract in a form similar to that executed and delivered in connection with the 2012 Obligations. The City Manager is hereby authorized to execute and deliver such agreement in such form with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such agreement being conclusive evidence of such approval.

SECTION 7. The forms, terms and provisions of the Basic Documents, in substantially the forms of such documents (including the exhibits thereto) on file with the City Clerk, are hereby approved. The City Manager or the Chief Financial Officer is hereby authorized and directed to execute and deliver, and the City Clerk of the City to attest, if necessary, the Basic Documents, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such documents being conclusive evidence of such approval and particularly of approval and acceptance of the covenants contained therein by the City Council of the City on behalf of the City.

SECTION 8. The City Manager or the Chief Financial Officer is authorized to enter into such agreements as he determines necessary in conjunction with obtaining bond insurance or a reserve fund surety bond, if any and which are necessary to carry out and comply with the terms, provisions, and intent of this Ordinance.

All actions of the City related to preparing and distributing the Preliminary Official Statement are hereby approved and ratified. The portions of the Official Statement regarding the Obligations which concern and describe the City are hereby approved and the City Manager is hereby authorized and directed to execute the same and any required certificates as to the accuracy and completeness of said Official Statement descriptions of the City.

SECTION 9. The Preliminary Official Statement in substantially the form submitted to the City is approved and the distribution of the same is hereby approved. The Preliminary Official Statement is "deemed final" (except for permitted omissions), by the City as of its date for purposes of SEC Rule 15c212(b)(1) and a final official statement will be prepared and distributed to the Original Purchaser for purposes of SEC Rule 15c212(b)(3) and (4). The City Manager is authorized and directed to complete and sign on behalf of the City and in his or her official capacity, the Official Statement, with such modifications, changes and supplements as being necessary to carry out and comply with the terms, provisions, and intent of this Ordinance. The City Manager is authorized to use and distribute, or authorize the use and distribution of, the Official Statement and any supplements thereto as so signed in connection

with the original issuance of the Obligations as may in his or her judgment be necessary or appropriate. The references to the City contained in the Preliminary Official Statement and such final Official Statement relating to the Obligations are hereby authorized and approved.

SECTION 10. The City Manager, the Chief Financial Officer and the Clerk of the City are hereby authorized and directed to do all such acts and things to execute, acknowledge and deliver all such documents (including, without limitation, tax compliance certificates, security agreements and financing statements, any amendments to such documents and all closing documents) as may in their discretion be deemed necessary or desirable to carry out and comply with the terms, provisions and intent of this Ordinance, and the Basic Documents and all exhibits to any of the foregoing. All of the acts of the officers of the City which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and the same are hereby ratified, confirmed, and approved in all respects.

SECTION 11. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Obligations in such manner and to such extent as may be necessary so that (a) the Obligations will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code. The City Manager or the Chief Financial Officer, or any other officer having responsibility for issuance of the Obligations shall, alone or with any other necessary officer or employee or consultant to the City, give an appropriate certificate of the City, for inclusion in the transcript of proceedings for the Obligations, setting forth (i) the reasonable expectations of the City regarding the amount and use of all the proceeds of the Obligations; (ii) the facts, circumstances and estimates on which the City's expectations are based; and (iii) other facts and circumstances relevant to the tax treatment of interest on the Obligations.

The City covenants (a) that it will take or cause to be taken such actions which may be required of it for the interest on the Obligations to be and remain excluded from gross income for federal income tax purposes, (b) that it will not take or authorize to be taken any actions which would adversely affect that exclusion and (c) that it, or persons acting for it, will, among other acts of compliance; (i) apply the proceeds of the Obligations to the governmental purpose of the borrowing; (ii) restrict the yield on investment property; (iii) make timely and adequate payments to the federal government; (iv) maintain books and records and make calculations and reports; and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The City Manager, the Chief Financial Officer, and other appropriate city officers are hereby authorized and directed to take any and all such actions, make calculations and rebate payments, and make or give such reports and certifications, as may be appropriate to assure such exclusion of that interest.

SECTION 12. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 13. All orders and Ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order or Ordinance or any part thereof.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 24th day of November, 2014.

_____
MAYOR

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY _____, 2015

NEW ISSUE - BOOK-ENTRY-ONLY **RATINGS: See "Ratings" herein**

In the opinion of Greenberg Traurig, LLP, Special Counsel, under existing statutes, regulations, rulings and court decisions, and assuming compliance with certain tax covenants, the portion of each installment payment made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement (as defined herein) and received by Owners of the Obligations (the "Interest Portion") will be excludible from gross income for federal income tax purposes, will not be an item of tax preference for purposes of the alternative minimum tax for individuals and corporations (but will be taken into account in determining adjusted current earnings for purposes of computing such tax imposed on certain corporations) and will be exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein for a description of certain federal tax consequences of ownership of the Obligations. See also "TAX MATTERS – Original Issue Discount and Original Issue Premium" herein.

$96,050,000*
City of Glendale, Arizona
Senior Lien Water & Sewer Revenue Refunding Obligations
Series 2015

Dated: Date of Initial Delivery **Due: July 1, as shown on inside cover page**

The Senior Lien Water and Sewer Revenue Refunding Obligations, Series 2015 (the "Obligations") will be executed and delivered pursuant to the Trust Agreement (the "Trust Agreement") dated as of February 1, 2015, between the City of Glendale, Arizona (the "City") and U.S. Bank National Association (together with any successors in such capacity, the "Trustee") in order to (i) refund certain prior obligations of the City issued to finance improvements to the Systems (as defined herein) and (ii) pay costs associated with the execution and delivery of the Obligations.

The Obligations will be dated as of the date of initial delivery thereof, will mature on July 1 of the years and in the amounts shown on the inside cover hereof and will bear interest from their dated date, at the rates per annum shown on the inside cover hereof. Interest on the Obligations will be payable on January 1 and July 1 of each year, commencing July 1, 2015. The Obligations will be issued in the denomination of $5,000 each or any integral multiple thereof.

The Obligations will be issuable only in fully registered form and, when issued, will be available to purchasers in the denominations described below, only through the book-entry system maintained by The Depository Trust Company, New York, New York ("DTC"). The Obligations will be registered initially in the name of Cede & Co., as nominee for DTC. While the Obligations are in the book-entry system, no physical delivery of Obligations will be made to ultimate purchasers thereof and all payments of principal of, premium, if any, and interest on the Obligations will be made directly by the Trustee to DTC which, in turn, is obligated to remit such payments to its participants for subsequent distribution to beneficial owners of the Obligations, as described herein.

The Obligations will be undivided, proportionate interests in the installment payments (the "Payments") to be made by the City pursuant to a Purchase Agreement, dated as of February 1, 2015 (the "Purchase Agreement"), between the Trustee, as seller, and the City, as purchaser. The Payments are payable from and secured by a pledge of, and lien on, revenues derived by the City from the ownership, use and operation of its water and sewer systems (collectively, the "Systems") after provision has been made for the payment of reasonable and necessary expenses of the operation, maintenance and repair of the Systems (the "Net Revenues"). Such pledge of Net Revenues is on parity to the lien and pledge thereon of prior obligations in the amount of $_____ and obligations subsequently issued or incurred on a parity therewith (collectively, the "Senior Obligations"). Such pledge of Net Revenues is senior to the lien and pledge thereon for payment of $_____ aggregate principal amount of subordinate lien revenue bonds and other obligations now outstanding, and obligations subsequently issued or incurred on a parity therewith (collectively, the "Subordinate Obligations"). Additional Senior Obligations (as defined herein) may subsequently be issued or incurred by the City payable from the Net Revenues of the Systems on a parity with the Obligations, as described in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Additional Senior Obligations" herein. The Obligations are not general obligations of the City, the State of Arizona or any political subdivision thereof, and neither constitute an indebtedness of the City when computing any limits imposed by constitutional, statutory or charter provisions nor a charge against the general credit or taxing power of the City, the State of Arizona or any political subdivision thereof nor a liability of the City, the State of Arizona or any political subdivision thereof for payment of the Obligations other than from the sources pledged therefor.

The Obligations, or portions thereof, may be subject to optional or, mandatory prepayment before their respective payment dates.

PAYMENT SCHEDULE AND ADDITIONAL INFORMATION ON INSIDE FRONT COVER PAGE

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Obligations are offered, when, as and if certain conditions are satisfied and subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Greenberg Traurig, LLP and by the City Attorney of the City. Certain legal matters will be passed upon solely for the Underwriters by _____. It is expected that the Obligations will be available for delivery through the facilities of DTC in New York, New York, on or about February_____, 2015.

[Underwriters to Come]

Dated: January____, 2015

$96,050,000[*]
CITY OF GLENDALE, ARIZONA
SENIOR LIEN WATER & SEWER REVENUE REFUNDING OBLIGATIONS
SERIES 2015

PAYMENT SCHEDULE*

Principal Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP(a) (378352)
2018	$3,565,000			
2019	4,960,000			
2020	7,695,000			
2021	11,465,000			
2022	8,400,000			
2023	8,825,000			
2024	13,240,000			
2025	13,895,000			
2026	14,595,000			
2027	4,590,000			
2028	4,820,000			

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[*] Preliminary, subject to change.

CITY OF GLENDALE, ARIZONA

CITY COUNCIL

Jerry Weiers – Mayor
Yvonne J. Knaack – Vice Mayor, Barrel District
Ian Hugh – Councilmember, Cactus District
Manny Martinez – Councilmember, Cholla District
Norma Alvarez – Councilmember, Ocotillo District
Gary Sherwood – Councilmember, Sahuaro District
Sammy Chavira – Councilmember, Yucca District

CITY ADMINISTRATIVE OFFICERS

Brenda Fischer, City Manager
Julie Frisoni, Assistant City Manager
Jennifer Campbell, Assistant City Manager
Michael Bailey, City Attorney
Pam Hanna, City Clerk
Tom Duensing, CPA, Finance and Technology Director
Vicki Rios, Assistant Finance Director

SPECIAL SERVICES

SPECIAL COUNSEL
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This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by the City of Glendale, Arizona (the "City") or the Underwriters. The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by, any of the foregoing. The presentation of such information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representation of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

In accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriters have reviewed the information in this Official Statement, but does not guarantee the accuracy or completeness of such information. The delivery of this Official Statement shall not imply that the information herein is correct as of any time subsequent to the date hereof.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The Obligations are not expected to be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. The registration or qualification of the Obligations in accordance with the applicable provisions of securities laws of the states in which the Obligations have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Obligations or the accuracy or completeness of this Official Statement.

The City has undertaken to provide continuing disclosure with respect to the Obligations in accordance with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" and Appendix F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS FORWARD LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE DISCUSSED HEREIN.

The City posts financial information on its website www.glendaleaz.com/finance/. However, unless specifically incorporated by reference herein, the information presented on the website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Obligations.

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$96,050,000*
CITY OF GLENDALE, ARIZONA
SENIOR LIEN WATER AND SEWER REVENUE REFUNDING OBLIGATIONS
SERIES 2015

INTRODUCTION

General

This Official Statement, including the cover page and Appendices hereto (the "Official Statement"), is provided to furnish certain information with respect to the sale and delivery of the Senior Lien Water and Sewer Revenue Refunding Obligations, Series 2015 (the "Obligations"), being executed and delivered pursuant to Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement"), between the City of Glendale, Arizona (the "City") and U.S. Bank National Association (together with any successors in such capacity, the "Trustee"), in order to (i) refinance the Obligations Being Refunded (as defined herein) previously executed and delivered to finance improvements to the City's water and sewer systems (the "Refinanced Projects") and (ii) pay costs associated with the execution and delivery of the Obligations.

The Obligations will be undivided, proportionate interests in the installment payments (the "Payments") to be made by the City pursuant to a Purchase Agreement, dated as of February 1, 2015 (the "Purchase Agreement"), between the Trustee, as seller, and the City, as purchaser. The Payments are payable from and secured by a pledge of, and lien on, revenues derived by the City from the ownership, use and operation of its water and sewer systems (collectively, the "Systems") after provision has been made for the payment of reasonable and necessary expenses of the operation, maintenance and repair of the Systems (the "Net Revenues"). Such pledge of Net Revenues is on parity to the lien and pledge thereon of prior obligations in the amount of $_____ (the "Existing Senior Obligations") and obligations subsequently issued or incurred on a parity therewith (the "Additional Senior Obligations" and, together with the Existing Senior Obligations and the Obligations, the "Senior Obligations"). Such pledge of Net Revenues is senior to the lien and pledge thereon for payment of $_____* aggregate principal amount subordinate lien revenue obligations now outstanding and obligations subsequently issued or incurred on a parity therewith (collectively, the "Subordinate Obligations"). Additional Senior Obligations may subsequently be issued or incurred by the City payable from the Net Revenues of the Systems as provided in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Additional Senior Obligations" herein. Additional obligations may subsequently be issued or incurred by the City payable from the Net Revenues of the Systems on a parity with the Subordinate Obligations as provided in the Trust Agreement. See "SECURITY AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Additional Subordinate Obligations" herein.

The execution and delivery of the Trust Agreement, the Purchase Agreement and the Obligations is authorized under the authority of Ordinance No. _____ adopted by the Mayor and City Council of the City on November 24, 2014*.

The Obligations are not general obligations of the City, the State of Arizona or any political subdivision thereof, and neither constitute an indebtedness of the City when computing any limits imposed by constitutional, statutory or charter provisions nor a charge against the general credit or taxing power of the City, the State of Arizona or any political subdivision thereof nor a liability of the City, the State of Arizona or any political subdivision thereof for payment of the Obligations other than from the sources pledged therefore.

Neither the Refinanced Projects nor the physical assets of the Systems secures the City's obligation to make Payments under the Purchase Agreement. Neither the Trustee nor the registered owners of any Obligation has any right to exclude the City from the Refinanced Projects or the Systems as a remedy upon the occurrence of an event of default under the Purchase Agreement, nor to have the Refinanced Projects or any portion of the Systems sold.

Unless and until discontinued, the Obligations will be held in book-entry form by The Depository Trust Company, New York, New York ("DTC"), a registered securities depository, and beneficial interests therein may only be purchased and sold, and payments of principal of, premium, if any, and interest on the Obligations will be made only to beneficial owners, through participants in the DTC system. Beneficial interests in the Obligations will be made in the denominations described on the cover page hereof. See Appendix G – "BOOK-ENTRY-ONLY SYSTEM" herein.

* Preliminary, subject to change.

Certain capitalized terms used herein are defined under Appendix D – "SUMMARIES OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT – Definitions of Certain Terms." Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes ("A.R.S.") or uncodified, or of the Arizona Constitution, are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement, "Debt Service" means principal of, premium, if any, and interest on the Obligations; and "State" or "Arizona" means the State of Arizona.

This Official Statement contains descriptions of the Obligations, the Purchase Agreement and the Trust Agreement. The descriptions of the Obligations, the Purchase Agreement and the Trust Agreement and other documents described in this Official Statement do not purport to be definitive or comprehensive, all references to those documents are qualified in their entirety by reference to the form of those documents, and copies of drafts thereof are available from the Financial Advisor prior to the delivery of the Obligations.

THE OBLIGATIONS

General Provisions

The Obligations will be dated the date of initial delivery thereof, and will bear interest payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2015* to and including the maturity dates shown on the inside cover page herein (unless the Obligations are redeemed earlier), at the rates set forth on the inside cover page herein. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

As described in Appendix G – "BOOK-ENTRY-ONLY SYSTEM," the Obligations, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Obligations, all payments on the Obligations and notices regarding the Obligations will be made directly to DTC.

Subject to the provisions summarized in Appendix G – "BOOK-ENTRY-ONLY SYSTEM," the principal of and premium, if any, represented by each Obligation will be payable at the designated office of the Trustee. Interest on each Obligation will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the fifteenth day of the month immediately preceding such Interest Payment Date or, if such date is not a business day, on the next succeeding business day (the "Regular Record Date") or the Trustee may agree with a registered owner of $1,000,000 or more in aggregate principal amount of the Obligations for another form of payment.

If the Trustee fails to make payments or provision for payment of interest on the Obligations when due on any Interest Payment Date, that interest shall cease to be payable to the registered owner of such Obligations as of the applicable Regular Record Date, and when moneys become available for payment of that interest, the Trustee shall establish a Special Record Date for the payment of that interest, which shall be at least ten days prior to the proposed interest payment date, and notice of such Special Record Date shall be mailed to each owner at least ten days prior to the Special Record Date.

Each Obligation will be dated as of the date of initial delivery, and interest is payable from such date, or from the most recent Interest Payment Date of which interest has previously been paid or made available for payment

Prepayment Provisions

Optional Prepayment – The Obligations, or portions thereof ($5,000 or any integral multiple thereof), payable on and after July 1, 20__, may be subject to prepayment before their respective payment dates, at the option of the City, on or after _____ 1, 20__, in whole or in part, at any time, from any payment date selected by the City, and by lot within a payment date, at a price equal to the principal amount of each Obligation, or portion thereof so prepaid, plus accrued interest thereon to the prepayment date.

* Preliminary, subject to change.

Mandatory Prepayment. The Obligations payable on July 1, 20__* will be subject to mandatory prepayment on July 1 of each of the years, by lot as described below, at the principal amounts thereof and accrued interest to the date fixed for prepayment, without premium, as follows:

Obligations Payable on July 1, 20__*

Year	Principal Amount
20__	
20__	
20__	

Obligations Payable on July 1, 20__*

Year	Principal Amount
20__	
20__	
20__	
20__	

Selection of Obligations for Prepayment – Prepayments on the Obligations being prepaid in part pursuant to the optional and mandatory prepayment provisions of the Trust Agreement will be made from any maturities selected by the City and by lot within a maturity to each owner in whose name such Obligations are registered on the Record Date immediately preceding a prepayment date.

Conditional Optional Prepayment – If at the time of mailing of notice of an optional prepayment of Obligations, there has not been deposited with the Trustee moneys or Qualified Permitted Investments sufficient to prepay all Obligations subject to such prepayment, then such notice shall state that the prepayment is conditional upon the deposit of moneys or Qualified Permitted Investments sufficient for the prepayment with the Trustee not later than the opening of business on the prepayment date, and such notice will be of no effect and such Obligations shall not be prepaid unless such moneys or Qualified Permitted Investments are so deposited.

Notice of Prepayment – The Trustee will cause notice of such prepayment to be given to the owner of any Obligation designated for prepayment (so long as the book-entry-only system is in effect, only Cede & Co.), at the address last appearing upon the Register by mailing a copy of the prepayment notice by first-class mail, between 30 and 60 days prior to the scheduled prepayment date. The failure to receive the notice or any defect in the notice will not affect the validity of the prepayment of any Obligation.

Each notice of prepayment will specify the Obligations to be redeemed, the prepayment date, the method and place of payment, and the other information required by the Trust Agreement. If a prepayment is conditional, the notice shall so state.

Notice having been properly given and, in the case of a conditional prepayment, all conditions having been met, the Obligations shall become due and payable on the prepayment date so designated and, upon presentation and surrender thereof at the place specified in the prepayment notice, the prepayment price of the Obligations shall be paid. If on the prepayment date sufficient moneys are held by the Trustee to pay the prepayment price, then and after the prepayment date interest on the Obligations shall cease to accrue.

Defeasance

If the Trustee (i) pays all of the outstanding Obligations when due, or (ii) at or prior to the payment date of all Obligations, has received in trust moneys or Qualified Permitted Investments which are sufficient to pay the principal of, premium, if any, and interest on the Obligations, the lien of the Trust Agreement and the Purchase Agreement shall terminate with respect to the Obligations, except for the obligation of the Trustee to make payments on the Obligations. See Appendix D – "SUMMARIES OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT – The Trust Agreement - Defeasance."

*Preliminary, subject to change

PLAN OF REFUNDING*

The proceeds received from the sale of the Obligations, net of amounts used to pay costs of issuance, will be used (i) to prepay on _____, 2015 the Obligations Being Refunded described below and (ii) to make a deposit into an irrevocable trust account (the "Trust Account") held by U.S. Bank National Association, as depository trustee (in such capacity, the "2015 Depository Trustee") pursuant to a depository trust agreement (the "2015 Depository Trust Agreement") between the City and the 2015 Depository Trustee. Amounts held in the Trust Account, except for certain amounts held as cash, will be invested in obligations issued or unconditionally guaranteed by the United States of America ("Government Obligations"), maturing in amounts and bearing interest at rates which are calculated to be sufficient to pay the interest on and the principal or redemption price of the outstanding obligations of the City set forth below (the "Obligations Being Refunded"). See "MATHEMATICAL COMPUTATIONS" herein.

Issue Series	Maturity Date (July 1)*	Coupon	Principal Amount Outstanding	Obligations to be Refunded*	Redemption Date	CUSIP®[(a)] (_____)*
Series 2006	2017	5.000%	$4,570,000	$4,570,000	01-01-2016	
	2018	5.000%	4,800,000	4,800,000	01-01-2016	
	2019	5.000%	5,040,000	5,040,000	01-01-2016	
	2020	5.000%	5,295,000	5,295,000	01-01-2016	
	2021	4.125%	5,560,000	5,560,000	01-01-2016	
	2022	4.125%	5,785,000	5,785,000	01-01-2016	
	2023	4.250%	6,030,000	6,030,000	01-01-2016	
	2024	4.500%	6,280,000	6,280,000	01-01-2016	
	2025	4.500%	6,565,000	6,565,000	01-01-2016	
	2026	4.500%	6,865,000	6,865,000	01-01-2016	
Series 2007	2020	5.000%	2,535,000	2,535,000	07-01-2017	
	2021	5.000%	2,660,000	2,660,000	07-01-2017	
	2022	5.000%	2,795,000	2,795,000	07-01-2017	
	2023	5.000%	2,935,000	2,935,000	07-01-2017	
	2024	5.000%	3,085,000	3,085,000	07-01-2017	
	2025	5.000%	3,235,000	3,235,000	07-01-2017	
	2026	5.000%	3,395,000	3,395,000	07-01-2017	
Series 2008	2021	5.000%	3,465,000	3,465,000	01-01-2018	
	2024	4.750%	3,975,000	3,975,000	01-01-2018	
	2025	5.000%	4,160,000	4,160,000	01-01-2018	
	2026	5.000%	4,370,000	4,370,000	01-01-2018	
	2027	5.000%	4,590,000	4,590,000	01-01-2018	
	2028	5.000%	4,820,000	4,820,000	01-01-2018	
			$102,810,000	$102,810,000		

(a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright(c) 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriters, the Financial Advisor or the Trustee (each as defined herein) or their agents or counsel take responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

MATHEMATICAL COMPUTATIONS

Concurrently with the delivery of and payment for the Obligations, _____ (the "Verification Agent"), a firm of independent certified public accountants, will deliver to the City and the Trustee its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations related to the Obligations and the Obligations Being Refunded. Such computations were prepared using certain information provided by _____ relating to the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when redeemed or prepaid, the principal, interest and applicable premiums on the Obligations Being Refunded.

The report of the Verification Agent will state that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in schedules provided to it by _____ and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Obligations will be applied as follows:

Sources of Funds:	
Principal Amount of Obligations	
Net Original Issue Premium/(Discount)	
Total Sources	
Uses of Funds:	
Deposit to Depository Trust	
Delivery Costs [(a)]	
Total Uses	

[(a)] Costs related to the execution and delivery of the Obligations, including Underwriters' compensation.

SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS

General

The Obligations are special revenue obligations taking the form of undivided, participating, proportionate interests in the Payments. The Payments required to be made by the City under the Purchase Agreement are sufficient to pay debt service on the Obligations. The term of the Purchase Agreement is through July __, 20___, or such earlier or later date on which all Payments due thereunder have been paid, subject to prior termination upon the City's exercise of its right to prepay the Payments in connection with the prepayment or defeasance of the Obligations.

Under the terms of the Trust Agreement, an irrevocable trust will be administered by the Trustee for the equal and proportionate benefit of the Owners of the Obligations, which trust includes: (1) all right, title and interest of the Trustee, as seller, in the Purchase Agreement and the right to (a) make claim for, collect or receive all amounts payable or receivable thereunder, (b) to bring actions and proceedings thereunder or for the enforcement of such rights, and (c) to do any and all other things which the Trustee is entitled to do thereunder; (2) amounts on deposit from time to time in the funds created pursuant to the Trust Agreement; and (3) any and all other property of any kind hereafter conveyed as additional security for the Obligations. See Appendix D – "SUMMARIES OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND PURCHASE AGREEMENT."

Pledge of Net Revenues

The Payments are a special revenue obligation of the City and are payable solely from and secured by a pledge of, and lien on, the revenues derived by the City from the ownership, use and operation of the Systems and including Development Impact Fees ("DIF") after provision has been made for the payment from such revenues of the reasonable and necessary expenses of operation, maintenance and repair of the Systems, excluding depreciation and debt service (the "Net Revenues"). Such pledge of Net Revenues to secure the City's payment obligation under the Purchase Agreement is on parity with the lien and pledge thereon in favor of any Additional Senior Obligations as described below. The lien on, and pledge of, the Net Revenues to secure the payment of the Obligations, the Existing Obligations, currently outstanding in the amount of $_____ and Additional Senior Obligations is senior and prior to the lien on, and pledge of, the Net Revenues securing the City's payment obligations under purchase agreements (each a "Subordinate Purchase Agreement" and collectively, the "Subordinate Purchase Agreements") relating to the City's Subordinate Lien Water and Sewer Revenue Obligations, Series 2006, (the "2006 Subordinate Obligations"), the City's Subordinate Lien Water and Sewer Revenue Obligations, Series 2007, (the "2007 Subordinate Obligations"), the City's Subordinate Lien Water and Sewer Revenue Obligations, Series 2008, (the "2008 Subordinate Obligations") and the City's Subordinate Lien Water and Sewer Revenue Obligations, Series 2010A (Taxable Direct Pay Build America Bonds) (the "2010 Subordinate Obligations", and together with the 2003 Subordinate Obligations, the 2006 Subordinate Obligations, the 2007 Subordinate Obligations and the 2008 Subordinate Obligations, the "Outstanding Subordinate Obligations") which will be outstanding in the aggregate principal amount of $_____[*] following delivery of the Obligations and any Additional Subordinate Obligations as described below. Each series of the Outstanding Subordinate Obligations was executed and delivered pursuant to a separate Subordinate Obligation Agreement.

See Appendix A – "CITY OF GLENDALE, ARIZONA WATER AND SEWER SYSTEM INFORMATION" for more information related to the City's water and sewer system operations. The City has a right, but no obligation, to use other lawfully available funds to make Payments.

Payment of the Obligations will not be secured by the Refinanced Projects or any portion of the Systems and the Owners of the Obligations have no claim or lien on the refunding of the Obligations Being Refunded or any part thereof.

THE PAYMENTS WILL NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY NOR WILL THE CITY BE LIABLE FOR THE PAYMENTS FROM AD VALOREM PROPERTY TAXES. PURSUANT TO THE TRUST AGREEMENT, THE OBLIGATIONS WILL BE SPECIAL, LIMITED REVENUE OBLIGATIONS, PAYABLE SOLELY FROM THE PAYMENTS MADE PURSUANT TO THE PURCHASE AGREEMENT. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND WILL NOT REPRESENT OR CONSTITUTE A DEBT OR A DIRECT OR INDIRECT PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF.

[*] Preliminary, subject to change.

Under the Purchase Agreement, the City will be required to make Payments sufficient to pay principal of, premium, if any, and interest on the Obligations, when due, from Net Revenues of the Systems. In addition, under the Purchase Agreement and the Trust Agreement, the City may hereafter issue or incur Additional Senior Obligations, (either as additional obligations executed and delivered under the Trust Agreement or otherwise) which are payable from and secured by a pledge of Net Revenues on a parity with the pledge of such Net Revenues made for the Obligations upon compliance with the requirements for the issuance or incurrence of such Additional Senior Obligations contained in the Purchase Agreement and the Trust Agreement. See "Additional Senior Obligations" below. The City may also hereafter issue or incur additional revenue bonds or other obligations, (either as additional obligations executed and delivered under the Subordinate Obligation Agreements or otherwise) which are payable from and secured by a pledge of Net Revenues on a parity with the pledge of such Net Revenues made for the Outstanding Subordinate Obligations (the "Additional Subordinate Obligations" and, together with the Outstanding Subordinate Obligations, the "Subordinate Obligations") upon compliance with the requirements for the issuance or incurrence of such Additional Subordinate Obligations contained in the Subordinate Obligation Agreements. See "Additional Subordinate Obligations" below.

The City has the option to prepay Payments under the Purchase Agreement in whole or in part at any time, which would be applied to the payment or prepayment of Obligations. See "THE OBLIGATIONS – Prepayment Provisions" and "– Defeasance" herein.

The City's obligation to make Payments under the Purchase Agreement is not subject to acceleration for any reason.

Application of Net Revenues

Following is a description of the funds and accounts established by, and the application of Revenues of the Systems required by, the Purchase Agreement as it exists on the date of execution and delivery of the Obligations. Such funds and accounts and application of Revenues of the Systems may be supplemented, amended or replaced from time to time without notice to, or the consent of, owners of Senior Obligations, including the Obligations, or the Subordinate Obligations, so long as such supplement, amendment or replacement does not materially adversely affect the interests of the Owners of the Senior Obligations or the Subordinate Obligations. Such amendments may establish additional or different funds and accounts than those described below and may prescribe an application of Revenues of the Systems different than that described below.

Establishment of Funds and Accounts. Pursuant to the Purchase Agreement, the City will establish and maintain the following funds and accounts, which are held by the City:

1) Revenue Fund;

2) Senior Payment Account (the "Senior Bond Fund");

3) The Reserve Account (the "Senior Reserve Account"), which is an account within the Senior Bond Fund;

4) The Replacement and Extension Fund.

In addition, the Purchase Agreement requires the City to establish and maintain the following account, which is held by the City:

5) The Subordinate Payment Account, into which are made monthly deposits from Net Revenues, for the purpose of collecting amounts to make payments to the trustee under any Subordinate Obligation Agreement.

Deposit and Flow of Revenues. The Purchase Agreement will require that Revenues of the Systems be applied as follows:

1) All Revenues are required to be deposited as received by the City into the Revenue Fund. Amounts in the Revenue Fund are used first to pay Current Expenses of the Systems.

2) Amounts remaining in the Revenue Fund are next required to be transferred to the Senior Bond Fund through monthly deposits on the 10th day of each month, as nearly equal as practicable, in amounts sufficient to pay the principal of and interest on the Senior Obligations next falling due and to remedy any prior deficiencies.

3) After the deposit and transfer described in (1) and (2) above, amounts in the Revenue Fund are next required to be transferred to the Senior Reserve Account, to the extent that the Reserve Fund is required to

be funded pursuant to the Trust Agreement, to cause such account to contain, together with other amounts and reserve fund guaranties on deposit therein, an amount equal to the Reserve Fund Requirement, as such term is defined in the Trust Agreement. See "Reserve Fund; Funding Conditional" below. Amounts in the Senior Reserve Account shall be transferred to the Reserve Fund and used only to pay debt service on Senior Obligations at such times as there are insufficient amounts available in the Senior Payment Account or to reimburse and pay to the providers of reserve account guaranties for amounts advanced under such reserve account guaranties and other amounts owed by the City relating to such guaranties.

4) After the withdrawal and transfers described in (1) through (3) above, amounts remaining in the Revenue Fund shall next be transferred to the Replacement and Extension Fund until such fund contains an amount at least equal to 1% of the Revenues of the Systems received in any Fiscal Year. Amounts in the Replacement and Extension Fund may only be used to remedy deficiencies in the Senior Payment Account or the Senior Reserve Account, to make improvements, additions, extensions, replacements or repairs to the Systems or to pay principal of, premium, if any, and interest on obligations payable from Revenues junior to the lien of the Senior Obligations. So long as any Subordinate Obligations are Outstanding, the City pledges to the payment of Subordinate Obligations, the Net Revenues corresponding to debt service on the Subordinate Obligations which would otherwise be paid into the Replacement and Extension Fund and such amounts corresponding to debt service on the Subordinate Obligations shall instead be deposited as described below. Net Revenues remaining after the payment of amounts corresponding to debt service on the Subordinate Obligations shall be deposited into the Replacement and Extension Fund as described above.

5) So long as any Subordinate Obligations are Outstanding, after the withdrawal and transfers described in (1) through (4) above, amounts remaining in the Revenue Fund shall be deposited into the Subordinate Payments Account in monthly deposits equal to (a) one-sixth of the interest next coming due on all Subordinate Obligations, (b) one-twelfth of the principal next coming due on the next occurring June 15 with respect to all Subordinate Obligations, and (c) a proportional amount of any other payments due under the Subordinate Obligation Agreements or with respect to any other Subordinate Obligations over the months until due, including required deposits to the Subordinate Reserve Account.

Any Net Revenues of the Systems not required for the preceding purposes is surplus and may be used by the City for any lawful purpose.

The Trustee is required under the Trust Agreement to deposit Payments received from the City pursuant to the Purchase Agreement into the Senior Payment Fund, which is the fund from which Debt Service on the Obligations is paid.

REVENUES OF THE WATER AND SEWER SYSTEMS DEPOSITED INTO REVENUE FUND

Priority	Expense	Application
1.	Current Expenses of Systems	Withdrawn to pay Current Expenses of the Systems
2.	Senior Bond Fund	Through monthly deposits, as nearly equal as practicable, in amounts sufficient to pay the principal of and interest on the Senior Obligations next falling due and to remedy any prior deficiencies
3.	Senior Reserve Account	To cause such account to contain, together with other amounts and reserve fund guaranties on deposit therein, an amount equal to the Reserve Requirement to be transferred to the Reserve Fund
4.	Replacement and Extension Fund	To cause such fund to contain an amount at least equal to 1% of the Revenues of the Systems received in any fiscal year; used to make improvements, additions, extensions, replacements or repairs to the system, subject to prior use for debt service on Subordinate Obligations as described above
5.	Subordinate Payment Account	In monthly deposits equal to (a) one-sixth of the interest next coming due on all Subordinate Obligations, (b) one-twelfth of the principal next coming due on all Subordinate Obligations, and (c) a proportional amount of any other payments due under the Subordinate Obligation Agreements over the months until due

Priority	Expense	Application
6.	Subordinate Reserve Fund	Funded with Payments made by the City under the Subordinate Obligations Agreements; used to pay debt service on Subordinate Obligations
7.	Surplus Revenues	Any lawful purpose

Reserve Fund; Funding Conditional

The Senior Obligation Agreement for the Existing Senior Obligations establishes the Reserve Fund for the benefit of any Senior Obligations which do not have a separate reserve fund. The Reserve Fund is not currently funded and will not be funded, nor will a Reserve Fund Guaranty be in place on the date of delivery of the Obligations. The Senior Obligation Agreements provide that that the City will fund the Reserve Fund, or in the alternative, deliver a Reserve Fund Guaranty if the Net Revenues of the Systems during such Fiscal Year do not equal or exceed 1.75 times the Annual Debt Service Requirement on all Outstanding Senior Obligations for such Fiscal Year. Under the Senior Obligation Agreements, the City is required to determine, and provide the Trustee with a written statement of the amount of such coverage ratio prior to the January 1 following the end of each Fiscal Year and if the aforementioned coverage ratio of 1.75 times is not met, shall fund from available Net Revenues in twelve (12) equal monthly installments on the 15th day of each month beginning January 15 until the Reserve Fund equals the Reserve Requirement (as hereinafter defined), or in the alternative, the City shall on such January 15, deliver a Reserve Fund Guaranty with a value equal to the Reserve Requirement. The Senior Obligation Agreements provide that the Reserve Requirement for the Senior Obligations secured by the Reserve Fund is an amount equal to the least of (i) ten percent (10%) of the principal amount for all outstanding Senior Obligations, (ii) the Maximum Annual Debt Service for all outstanding Senior Obligations secured by the Reserve Fund or (iii) one hundred twenty-five percent (125%) of the average annual debt service for all outstanding Senior Obligations secured by the Reserve Fund. If, after the City makes any such deposit to the Reserve Fund for the Senior Obligations, Net Revenues for two consecutive Fiscal Years equal or exceed 1.75 times the Annual Debt Service Requirement on all Outstanding Senior Obligations for such Fiscal Years, the cash or Reserve Fund Guaranties on deposit in the Reserve Fund for the Senior Obligations secured by the Reserve Fund shall be released and may be used by the City for any lawful purpose. Notwithstanding the foregoing, the provisions in the Senior Obligation Agreements relating to the Reserve Fund will be effective only (A) upon determination that the Reserve Fund is required to be funded as described above and (B) so long as the Existing Senior Obligations remain outstanding.

The Reserve Fund shall be an integrated and indivisible common Reserve Fund for the Existing Senior Obligations, the Obligations and all other Senior Obligations except to the extent that the City establishes a separate reserve fund for the other Senior Obligations, which shall be determined at the time the City is required to fund the Reserve Fund. Amounts in the Reserve Fund shall be available to be applied as described below.

Upon funding of the Reserve Fund, the Trustee shall enter into an intercreditor agreement with the trustees for the applicable Senior Obligations which shall allow amounts in the Reserve Fund to be drawn out by the applicable trustees and used to make payment of principal and interest on the Existing Senior Obligations, the Obligations, and on any Additional Senior Obligations for which a separate reserve fund is not established, pro rata, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such Existing Senior Obligations, or Additional Senior Obligations are insufficient.

In the event that after funding the Reserve Fund the Reserve Fund Value is less than the Reserve Fund Requirement, the City shall, in addition to the payments provided under the Purchase Agreement, immediately pay to the Trustee an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In lieu of funding with cash payments, the City may deliver to the Trustee a Reserve Fund Guaranty complying with the requirements of the Senior Obligation Agreements. The Trustee is authorized and directed to execute (if necessary), deliver and comply with all of the terms and conditions of any Reserve Fund Guaranty and Reserve Fund Guaranty Agreements and related restrictions or directions in connection with the Existing Senior Obligations, the Obligations and any Additional Senior Obligations.

Rate Covenant

Senior Obligation Covenant Regarding Maintenance of Rates. In the Senior Obligation Agreements, the City covenants, for the benefit of the owners of all Senior Obligations, that it shall at all times establish maintain and collect rates,

fees and other charges for all services furnished by the Systems which will be fully sufficient at all times to produce Net Revenues which (a) will equal at least hundred twenty percent 120% of the combined debt service on all Senior Obligations then outstanding (making certain adjustments in debt service or assumed debt service on variable rate or short-term Senior Obligations), (b) make all required payments into the Reserve Fund established and maintained under the Senior Obligation Agreement, (c) remedy all deficiencies in payments into any of the funds or accounts maintained under the Purchase Agreement from prior fiscal years and meet all requirements for Debt Service on any obligations payable from Net Revenues on Senior Obligations, and (d) make any required payments to Reserve Fund Guarantors.

Subordinate Obligation Covenant Regarding Maintenance of Rates. In the Subordinate Obligation Agreements, the City covenants, for the benefit of the owners of all Subordinate Obligations, that it shall at all times establish maintain and collect rates, fees and other charges for all services furnished by the Systems which will be fully sufficient at all times to produce Net Revenues which (a) will equal at least hundred twenty percent 120% of the combined debt service on all Senior Obligations and Subordinate Obligations then outstanding (making certain adjustments in debt service or assumed debt service on variable rate or short-term Senior or Subordinate Obligations), (b) make all required payments into the Reserve Fund established and maintained under the Subordinate Obligation Agreements, (c) remedy all deficiencies in payments into any of the funds or accounts maintained under the Subordinate Obligation Agreements from prior fiscal years and meet all requirements for Debt Service on any obligations payable from Net Revenues on Senior Obligations and Subordinate Obligations, and (d) make any required payments to Reserve Fund Guarantors.

Other Covenants Relating to the Systems

The City makes certain covenants in the Purchase Agreement regarding the operation of the Systems, including the following. See also Appendix D – "SUMMARIES OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT".

Maintenance of the Systems in Good Condition. The City shall (a) maintain the Systems in good condition, (b) operate the same in a proper and economical manner and at reasonable cost, and (c) faithfully and punctually perform all duties with reference to the Systems required by the Constitution and laws of the State of Arizona.

Insurance. The City shall maintain insurance on the Systems (which may take the form of or include an adequately-funded program of self-insurance) for the benefit of Senior Obligations payable wholly or in part from the revenues of the Systems, for the full insurable value of all buildings and machinery and equipment therein, against loss or damage by fire, lightning, tornado or winds, and all other combustible property against loss or damage by fire or lightning, and other coverages and amounts of insurance (including public liability and damage to property of others to the extent deemed prudent by the City) normally carried by others on similar operations. The cost of such insurance may be paid as a Current Expense.

No Sale, Lease or Encumbrance, Exceptions. Except as described below or in the Purchase Agreement, the City shall not sell, lease, encumber or in any manner dispose of the Systems as a whole until all of the Senior Obligations and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the Senior Obligation Agreement.

The City reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Systems if (a) such property is not necessary for the operation of the Systems, (b) such property is not useful in the operation of the Systems, (c) such property is not profitable in the operation of the Systems or, (d) the property disposed of in any fiscal year is less than five percent (5%) of the total value of the Systems and the disposition of such property will be advantageous to the Systems. In addition, the City may sell, lease or otherwise dispose of any of the property comprising part of the Systems if the proceeds of such disposition (a) are used or are set aside to be used solely to purchase property expected to generate equal or greater Net Revenues, as certified by a consultant in a statement filed with the Chief Financial Officer of the City or (b) are used to pay all indebtedness on the property disposed of or (c) are deposited in the debt service fund for Senior Obligations.

The City may sell to Maricopa County or any other political subdivision of the State or any agency thereof, any portion of the Systems upon demonstration that such sale will not reduce the Net Revenues to be received by the Systems in the full Fiscal Year next succeeding such sale to an amount less than one hundred twenty percent (120%) of debt service coming due in such fiscal year on all Senior Obligations then outstanding or sell or transfer the Systems as a whole to any political subdivision or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own and operate the Systems on behalf of the public, and which undertakes in writing, filed with the Chief Financial Officer of the City, the City's obligations under the Purchase Agreement; upon filing with the City (a) an opinion of nationally recognized Special Counsel to the effect that (a) such sale will not cause interest on any Senior Obligations to become subject to federal income taxation, (b) such sale will not materially diminish the security of the owners of Senior

Obligations and (c) the obligations of the City under the Senior Obligation Agreements have been validly assumed by such transferee and (b) an opinion of a consultant expressing the view that such transfer in and of itself will not result in Net Revenues in the full fiscal year next succeeding such transfer being less than one hundred twenty percent (120%) of debt service coming due in such fiscal year on all Senior Obligations then outstanding.

Books, Records and Accounts. The City shall cause to be kept proper records and accounts of the Systems in accordance with standard accounting practices and procedures customarily used for systems of similar nature, shall cause such books, records and accounts to be properly audited by an Independent Certified Public Accountant and shall require such auditors to complete their report within 180 days after the close of the fiscal year.

No Free Service. No free water or service shall be furnished by the Systems to the City or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality. The reasonable cost and value of all water and service rendered to the City and its various departments by the Systems, shall be charged against the City and will be paid for as the service occurs from the City's current funds.

Satisfaction of Liens. The City shall pay and discharge or cause to be paid and discharged all taxes, assessments and other governmental charges, if any, lawfully imposed upon the Systems or any part thereof or upon the Net Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the Systems or the revenues or any part thereof or which might impair the security of the Subordinate Obligations, except when the City in good faith contests its liability to pay the same.

Disconnection of Water for Non-Payment. The City shall diligently enforce payment of all bills for water and sewer services supplied by the Systems. If a bill becomes delinquent and remains so for a period to be determined in accordance with City policy from time to time, the City will discontinue water service in accordance with Arizona law to any premises the owner or occupant of which shall be so delinquent, and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to the City shall have been made. The City will do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the Systems.

No Competing System. The City will not, to the extent permitted by law, grant a franchise or permit for the operation of any competing water and sewer systems in the City.

Additional Senior Obligations

Requirements of the Trust Agreement for Additional Senior Obligations. Under the provision of the Trust Agreement, the City may issue or incur Additional Senior Obligations if each of the following conditions is met:

1) No Event of Default has occurred and is continuing under the Purchase Agreement or the Trust Agreement; and

2) Either one of the following tests is met:

   a. Net Revenues for the most recently completed fiscal year are not less than one hundred twenty percent (120%) of Maximum Annual Debt Service for any succeeding fiscal year for all outstanding Senior Obligations, taking the proposed Additional Senior Obligations into account as if they had been issued or incurred at the beginning of such Fiscal Year; or

   b. Net Revenues for the most recently completed Fiscal Year were not less than one hundred ten percent (110%) of the Maximum Annual Debt Service for any succeeding Fiscal Year for all outstanding Senior Obligations taking the proposed Additional Senior Obligations into account and the Net Revenues for the first full Fiscal Year following the date of which the capital improvements to be financed by the proposed Additional Senior Obligations are expected to be placed in operation are not expected to be less than one hundred twenty-five percent (125%) of Maximum Annual Debt Service for any succeeding Fiscal Year on all outstanding Senior Obligations, taking the proposed Additional Senior Obligations into account, as evidenced by a consultant's report filed with the Chief Financial Officer of the City.

In addition, Additional Senior Obligations may be issued or incurred without regard to the requirements in 2(a) and 2(b) above for the purpose of refunding Outstanding Senior Obligations, so long as the issuance of such Additional Senior Obligations does not increase Maximum Annual Debt Service on all Outstanding Senior Obligations in any Fiscal Year by

more than 10% upon the issuance or incurrence of the Additional Senior Obligations except that for any Fiscal Year for which Maximum Annual Debt Service prior to the issuance or incurrence of the Additional Senior Obligations was zero, the Maximum Annual Debt Service after the issuance or incurrence of the Additional Senior Obligations shall not exceed the Maximum Annual Debt Service for any other Fiscal Year after the issuance or incurrence of the Additional Senior Obligations and the aggregate Debt Service is not increased by more than ten percent (10%), and for the purpose of completing any capital improvement for which an issue of Senior Obligations was issued or incurred.

Adjustments in Net Revenues may be made in certain circumstances, as well as restatement of Debt Service on variable rate, short-term and other types of obligations, all as provided in the Trust Agreement.

Requirements Imposed Under the Subordinate Obligation Agreements for Additional Senior Obligations. Under the provision of the Subordinate Obligation Agreements, the City may issue or incur Additional Senior Obligations if each of the following conditions is met:

1) No Event of Default has occurred and is continuing under the Subordinate Trust Agreement; and

2) Either one of the following tests is met:

   a. Net Revenues of the Systems for the most recently completed fiscal year are not less than one hundred twenty percent (120%) of Maximum Annual Debt Service for any succeeding Fiscal Year for all outstanding Senior Obligations and Subordinate Obligations, taking the proposed Additional Senior Obligations into account as if they had been issued or incurred at the beginning of such fiscal year; or

   b. Net Revenues of the Systems for the most recently completed Fiscal Year were not less than one hundred ten percent (110%) of the Maximum Annual Debt Service for any succeeding Fiscal Year for all outstanding Senior Obligations and Subordinate Obligations taking the proposed Additional Senior Obligations into account and the Net Revenues for the first full Fiscal Year following the date of which the capital improvements to be financed by the proposed Additional Senior Obligations are expected to be placed in operation are not expected to be less than one hundred twenty-five percent (125%) of Maximum Annual Debt Service for any succeeding Fiscal Year on all outstanding Senior Obligations and Subordinate Obligations, taking the proposed Additional Senior Obligations into account, as evidenced by a consultant's report filed with the Chief Financial Officer of the City.

In addition, Additional Senior Obligations may be issued or incurred without regard to the requirements in 2(a) and 2(b) above for the purpose of refunding Outstanding Senior Obligations, so long as the issuance of such Additional Senior Obligations does not increase maximum annual debt service on all Outstanding Senior Obligations and Subordinate Obligations in any fiscal year by more than 10%, and for the purpose of completing any capital improvement for which an issue of Senior Obligations was issued or incurred.

Adjustments in Net Revenues may be made in certain circumstances, as well as restatement of Debt Service on variable rate, short-term and other types of obligations, all as provided in the Subordinate Trust Agreements.

Additional Subordinate Obligations

Requirements of the Subordinate Obligation Agreements for Additional Subordinate Obligations. Under the provisions of the Subordinate Obligation Agreements, the City may issue or incur Additional Subordinate Obligations if each of the following conditions is met:

1) No Event of Default has occurred and is continuing under the Subordinate Purchase Agreements or the Subordinate Trust Agreements; and

2) Either of the following tests is met:

   a. Net Revenues of the Systems for the most recently completed Fiscal Year are not less than one hundred twenty percent (120%) of Maximum Annual Debt Service for any future Fiscal Year for all Outstanding Senior Obligations and Subordinate Obligations, taking the proposed Additional Subordinate Obligations into account as if they had been issued or incurred at the beginning of such Fiscal Year or

b. Net Revenues of the Systems for the most recently completed Fiscal Year were not less than one hundred ten percent (110%) of the Maximum Annual Debt Service for any succeeding Fiscal Year for all outstanding Senior Obligations and Subordinate Obligations taking the proposed Additional Subordinate Obligations into account and the Net Revenues for the first full Fiscal Year following the date of which the capital improvements to be financed by the proposed Additional Subordinate Obligations are expected to be placed in operation are not expected to be less than one hundred twenty-five percent (125%) of Maximum Annual Debt Service for any succeeding Fiscal Year on all outstanding Senior Obligations and Subordinate Obligations, taking the proposed Additional Subordinate Obligations into account, as evidenced by a consultant's report filed with the Chief Financial Officer of the City.

In addition, Additional Subordinate Obligations may be issued or incurred without regard to the requirements in 2(a) and 2(b) above for the purpose of refunding Outstanding Senior Obligations or Subordinate Obligations, so long as the issuance of such Additional Subordinate Obligations does not increase Maximum Annual Debt Service on all Outstanding Senior Obligations and Subordinate Obligations in any Fiscal Year by more than ten percent 10% upon the issuance or incurrence of the Additional Subordinate Obligations except that for any fiscal year for which Maximum Annual Debt Service prior to the issuance or incurrence of the Additional Subordinate Obligations was zero, the Maximum Annual Debt Service after the issuance or incurrence of the Additional Subordinate Obligations shall not exceed the Maximum Annual Debt Service for any other Fiscal Year after the issuance or incurrence of the Additional Subordinate Obligations and the aggregate Debt Service is not increased by more than ten percent (10%), and for the purpose of completing any capital improvement for which an issue of Senior Obligations or Subordinate Obligations was issued or incurred.

Adjustments in Net Revenues may be made in certain circumstances, as well as restatement of Debt Service on variable rate, short-term and other types of obligations, all as provided in the Subordinate Trust Agreements.

No voter authorization is required for the execution and delivery of the Obligations and voter approval is not a condition for the issuance or incurrence of Additional Senior Obligations or Additional Subordinate Obligations under the Purchase Agreement or the Trust Agreement.

Third Lien Obligations

None of the Senior Obligation Agreements or the Subordinate Obligation Agreements place any restriction on the City's ability to issue or incur further obligations which are payable from and secured by a pledge of Net Revenues on a basis subordinate and junior to the pledge of such Net Revenues securing the Senior Obligations and Subordinate Obligations.

General Obligation Bonds for Water and Sewer Purposes

As of July 1, 2014, the City has $_____ aggregate outstanding and proposed principal amount of its voter-approved general obligation bonds which were issued for water and sewer system purposes, which mature on July 1 of the years 2015 through 2018. Although such general obligation bonds are not secured by a pledge of or lien upon the Net Revenues of the Systems, pursuant to City Council policy, the City has paid debt service on such general obligation bonds solely from Net Revenues of the Systems, after payment of debt service on all obligations secured by a pledge of Net Revenues (which would include Senior Obligations and Subordinate Obligations) and intends to continue that practice indefinitely. The City presently has no authorized but unissued general obligation bonds for water and sewer purposes, but may from time to time receive future voter authorizations for the issuance of such general obligation bonds.

TABLE 1
Water and Sewer Revenue Bond Coverage
City of Glendale, Arizona
(amounts expressed in thousands)

	2009-10 (Audited)	2010-11 (Audited)	2011-12 (Audited)	2012-13 (Audited)	2013-14 (Audited)
Gross Revenue[1]	$76,987	$81,127			
Less Operating and Maintenance Expenses[2]	43,628	41,550			
Net Revenue Available for Debt Service	33,359	39,577			
Revenue Bond/Obligation Debt Service Requirements Total	23,429	24,756			
Revenue Bond/Obligation Debt Service Requirements Coverage[3]	1.42x	1.60x			

1 Operating revenues and non-operating revenues, excluding non-cash contributions, gains and losses.
2 Excludes depreciation.
3 Maximum annual debt service which occurs in fiscal year 2023.

Source: City of Glendale, Arizona Comprehensive Annual Financial Reports for fiscal years Ended June 30, 2010 through 2014; City of Glendale Finance Department.

The foregoing table of the City's historical Revenues of the Systems is not intended to indicate future or continuing trends in the financial or other affairs of the City and no assurance can be given that the City's future revenues of the Systems will not be adversely affected by presently existing but unrecognized factors or future factors which cannot now be foreseen.

TABLE 2
Water and Sewer System Net Revenues and the
Senior and Subordinate Debt Service Requirements
City of Glendale, Arizona

Year Ending July 1	Net Revenues[1]	Existing Senior Debt Service[2]	Obligation Debt Service	Total Senior Debt Service	Coverage on Senior Debt[3]	Outstanding Subordinate Debt Service[4]	Combined Senior & Sub. Debt Service	Coverage on Senior & Sub. Debt[3]
2014								
2015								
2016								
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								

1 Represents Net Revenues of the Systems for the 2014 fiscal year. This table is not a projection or forecast of future Net Revenues, but is included to show coverage of annual debt service compared to Net Revenues of the Systems for the 2013-14 fiscal year.
2 Represents estimated debt service on the Obligations. The fiscal year ending June 30 includes the payment of principal and interest on the following day. Does not include debt service on the $_____ principal

amount of the City's presently outstanding General Obligation Bonds for water and sewer purposes which are not secured by Net Revenues of the Systems, but are, pursuant to City Council policy, being paid, as to principal and interest, solely from such Net Revenues.

[3] Coverage based upon annual debt service compared to Net Revenues of the Systems for the 2013-14 fiscal year.

[4] Does not include debt service on the Subordinate Obligations Being Refunded. The fiscal year ending June 30 includes the payment of principal and interest on the following day.

Source: City of Glendale Finance Department

LITIGATION

[The City is a party to various lawsuits and subject to various claims incidental to the ordinary course of its operations. In the opinion of City management, based on the advice of the City Attorney, while the City is subject to substantial claims City management believe that sufficient contractual indemnification, stop loss insurance, and other resources are sufficient such that none of the presently pending lawsuits or claims will, if decided adversely to the City, have a material adverse affect on the financial condition of the City or its property tax collections.

To the knowledge of the City and the City Attorney, no litigation or administrative action or proceeding is pending or overtly threatened restraining or enjoining, or seeking to restrain or enjoin, the execution, delivery or performance of the Obligations or the Purchase Agreement by the City or contesting or questioning the proceedings and authority under which the Obligations and the Purchase Agreement will be executed or delivered, or the validity of the Obligations or the Purchase Agreement. Certificates of appropriate representatives of the City to that effect will be delivered at the time of the delivery of the Obligations.]

LEGAL MATTERS

Legal matters incident to the issuance of the Obligations and with regard to the tax status of the interest thereon (see "TAX MATTERS") are subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel. Signed copies of the opinion, dated and speaking only as of the date of delivery of the Obligations will be delivered to the Underwriter. The proposed form of the legal opinion is set forth as Appendix E. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distributions of it by recirculation of this Official Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date. In rendering its opinion, Special Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings which Special Counsel will not have independently verified.

The due authorization, execution, and delivery by the City, and the validity and enforceability against the City, of the Trust Agreement and the Purchase Agreement and certain other legal matters will be passed upon for the City by Greenberg Traurig, LLP, counsel to the City and by the City Attorney of the City. Certain legal matters will be passed upon solely for the Underwriters by _____.

The legal opinions express the professional opinion of counsel rendering them, but are not binding on any court or other governmental agency and are not guarantees of a particular result.

TAX MATTERS

General

In the opinion of Special Counsel, under existing statutes, regulations, rulings and court decisions, the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") will be excludible from gross income for federal income tax purposes pursuant to Section 103(a) of Internal Revenue Code of 1986, as amended ("the Code"), will not be treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations (but will be taken into account in determining adjusted current earnings for purposes of computing such tax imposed on certain corporations) and will be exempt from Arizona income taxation so long as the Interest Portion is excludable from gross income for federal income tax purposes. Special Counsel expresses no opinion as to the treatment for federal or Arizona income tax purposes on the Interest Portion as to any other tax consequence relating to the Obligations.

The Code prescribes a number of qualifications and conditions for such interest to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the City to the federal government, require future or continuing compliance after delivery of the Obligations in order for the Interest Portion to be and to remain so excluded from the date of execution and delivery. Such opinion on such tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain continuing covenants of the City contained in documents which are part of the transcript of proceedings for the Obligations and which are intended to evidence and assure that the Interest Portion will remain excluded from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of the certifications and representations, or compliance with the covenants, made by the City. Noncompliance with these requirements could cause the Interest Portion to be included in gross income for federal income tax purposes and to be subject to federal and Arizona income taxation retroactive to the date of execution and delivery of the Obligations. The City has covenanted in the Purchase Agreement to take all such actions that may be required of them for the Interest Portion to be and remain excluded from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion.

Prospective purchasers of the Obligations should be aware that the ownership of the Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on an Obligation; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the Interest Portion; (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States of America for purposes of the branch profits tax; (iv) the inclusion of the Interest Portion in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion in gross income of the Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these other tax consequences.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of the Interest Portion, adversely affect the market price or marketability of the Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Obligations. If enacted into law, such legislation could affect the market price or marketability of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of any proposed or pending legislation.

Special Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Special Counsel as of the date thereof. Special Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Special Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Obligations, as indicated on the inside front cover page of this Official Statement ("Discount Obligations"), were offered and will be sold to the public at an original issue discount ("Original Issue Discount"). Original Issue Discount is the excess of the stated prepayment price at payment (the principal amount) over the "issue price" of a Discount Obligation. The issue price of a Discount Obligation is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Obligations of the same payment will be sold pursuant to that offering. For federal income tax purposes, Original Issue Discount accrues to the owner of a Discount Obligation over the period to payment date based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of Original Issue Discount that accrues during the period of ownership of a Discount Obligation (i) will be interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) will be added to the owner's tax basis for purposes of determining gain or loss on the payment, prepayment, prior sale or other disposition of that Discount Obligation. A

purchaser of a Discount Obligation in the initial public offering at the price for that Discount Obligation stated on the cover of this Official Statement who holds that Discount Obligation to payment date will realize no gain or loss upon the retirement of that Discount Obligation.

Certain of the Obligations, as indicated on the inside front cover page of this Official Statement (the "Premium Obligations"), were offered and will be sold at an "issue price" in excess of their stated prepayment price at payment. That excess constitutes obligation premium. The issue price of a Premium Obligation is the initial offering price to the public (other than bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Premium Obligations of the same payment date is sold pursuant to that offering. For federal income tax purposes, obligation premium is amortized over the period to payment date of a Premium Obligation, based on the yield to payment date of that Premium Obligation (or, in the case of a Premium Obligation callable prior to its stated payment date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Obligation), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that obligation premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner's gain or loss on the sale, prepayment (including prepayment at payment date) or other disposition of a Premium Obligation, the owner's tax basis in the Premium Obligation is reduced by the amount of obligation premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation. A purchaser of a Premium Obligation in the initial public offering at the price for that Premium Obligation stated on the cover of this Official Statement who holds that Premium Obligation to payment date (or, in the case of a callable Premium Obligation, to its earlier call date that results in the lowest yield on that Premium Obligation) will realize no gain or loss upon the retirement of that Premium Obligation.

Owners of Discount Obligations and Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of Original Issue Discount or obligation premium properly accruable in any period with respect to the Discount Obligations or Premium Obligations and as to other federal tax consequences, and the treatment of Original Issue Discount and obligation premium for purposes of state and local taxes on, or based on, income.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Obligations is subject to information reporting to the Internal Revenue Service. This reporting requirement does not affect the excludability of interest on the Obligations from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Obligations and proceeds from the sale of the Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Obligations. This withholding generally applies if the owner of the Obligations (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Obligations may also wish to consult with their own tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

INDEPENDENT AUDITORS

The financial statements of the City as of June 30, 2014 and for its fiscal year then ended, which are included as Appendix C of this Official Statement, have been audited by Clifton Larson Allen LLP, Independent Auditors, as stated in their report which appears in Appendix C.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is serving as financial advisor to the City in connection with the Obligations. The Financial Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Obligations. RBC Capital Markets, LLC has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by RBC Capital

Markets, LLC respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

The Obligations are being purchased for reoffering by _____, _____, and _____ (the "Underwriters") The Underwriters have agreed to purchase, subject to certain conditions, the Obligations at an aggregate purchase price of $_____, consisting of the principal amount thereof plus a net reoffering premium of $_____ and less an underwriter's discount of $_____. The Underwriters will commit to purchase all of the Obligations if any are purchased. The Obligations are offered for sale initially at the approximate yields set forth on the inside front cover page of this Official Statement, which yields may be changed, from time to time, by the Underwriters. The Obligations may be offered and sold to certain dealers (including underwriters and dealers depositing the Obligations into investment trusts) at prices lower than the public offering price.

In the ordinary course of its business, the Underwriters and certain of its affiliates have engaged, and may in the future engage, in investment banking, banking or other transactions with the City.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the beneficial owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2016, (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports and Notices of Listed Events will be filed by the City with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is set forth in Appendix F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price and marketability.

[The City previously entered into continuing disclosure undertakings with respect to certain previously issued Senior Excise Tax Obligations, Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded, which require the filing on or before February 1 of each year of audited financial statements and annual updates with respect to certain financial information and operating data related to the City. The following filings were not made timely:

1. The Annual Report for fiscal year ended June 30, 2010, due February 1, 2011, was not filed properly by CUSIP for the Senior Excise Tax Obligations, the Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded.

2. The Annual Reports for fiscal years ended June 30, 2009, June 30, 2010 and June 30, 2011, due February 1, 2010, February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2003D Subordinate Excise Tax Bonds.

3. The Annual Reports for fiscal years ended June 30, 2010 and June 30, 2011, due February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2002B Subordinate Excise Tax Bonds.

The City filed such financial information and operating data on or prior to November 27, 2012 through EMMA. In addition, the City is working to put in place procedures that it intends all future filings of the City's Annual Reports and Notices of Listed Events will be filed in a timely manner. Otherwise, the City is in material compliance with all previous continuing disclosure undertakings entered into pursuant to the Rule for the previous five years.]

CERTIFICATION CONCERNING OFFICIAL STATEMENT

The closing documents will include a certificate confirming that, to the best knowledge, information and belief of the City's Chief Financial Officer, the description and statements contained in this Official Statement are, at the time of issuance of the Obligations, true, correct and complete in all material respects and do not contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein in order to make the statements, in light of the

circumstances under which they are made, not misleading. In the event this Official Statement is supplemented or amended, the foregoing confirmation will also encompass such supplements or amendments.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("Standard and Poor's") have assigned the Obligations uninsured long-term ratings of "____" (_____ outlook) and "_____" (_____ outlook), respectively. Such ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agencies furnishing the ratings. Explanations of the ratings may be obtained from Standard & Poor's at 55 Water Street, New York, New York 10004, and from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10041. Such rating agencies were provided with materials relating to the City and the Obligations and other relevant information, which includes information not included in this Official Statement, and no application has been made to any other rating agency for the purpose of obtaining a rating on the Obligations. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations.

POLITICAL DONATIONS

Neither Special Counsel nor the Financial Advisor or their respective employees are known to have made political contributions to any person seeking a seat on the City Council at its last election.

ADDITIONAL INFORMATION

Additional information is available from the City of Glendale Finance and Technology Director, Municipal Complex, 5850 West Glendale Avenue, Glendale, Arizona 85301 (623-930-2480).

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Trust Agreement and the Purchase Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents. For further information, reference should be made to the complete documents, copies of which are available as described under "INTRODUCTION."

All projections, forecasts and other information in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as part of a contract or agreement between the City or the Underwriter and the purchasers or holders of any of the Obligations. The attached Appendices A through G are integral parts of this Official Statement and must be read together with all of the foregoing statements.

CITY OF GLENDALE, ARIZONA

By: _____
City Manager

APPENDIX A

CITY OF GLENDALE, ARIZONA WATER AND SEWER SYSTEM INFORMATION

Organization and Administration

The City's water system (the "*Water System*") and the sewer system (the "*Sewer System*") are operated as financially self-supporting municipal utility services. The Water Services Department (the "*Department*") of the City, which includes, as a sub-category, the Water System and Sewer System is responsible for the operations of the systems. The Department's authority and responsibility is derived from the Glendale City Charter and City Council adopted ordinances and resolutions. The City is required to prepare and submit an annual budget for the Department to the City Council prior to the beginning of each fiscal year. The City Council is required to hold a public hearing on the proposed budget and a specified notice of this hearing must be given to any bondholder who may have so requested in writing. If for any reason a budget is not adopted, the budget of the preceding fiscal year shall apply. In addition, the City Council conducts a public hearing prior to adoption of any water or sewer rates, establishes water and sewer rates and adopts general policy for the Department.

The Water Services Department Director currently reports to an Assistant City Manager. The three Deputy Directors for: Plant Operations, Field Operations, and Environmental Resources report to the Water Services Director.

Jennifer Campbell, Assistant City Manager, began serving in this position in 2014. Ms. Campbell has 16 years of local government experience, including management experience for the cities of Peoria and Goodyear. She is a graduate of Leadership West, has a master's of education degree with an emphasis in leadership and public administration from Northern Arizona University and a bachelor's degree in recreation management from Arizona State University. Since 2009, Campbell has been adjunct faculty at Glendale Community College. She is a graduate of Deer Valley High School in Glendale.

Craig Johnson, Water Services Director, began serving in 2011. Prior to joining the Department he served as Assistant City Engineer and Engineering Project Manager starting in 1995. Prior to working for the City, Mr. Johnson was the Vice President of a materials testing and environmental engineering firm, and served 21 years in the U.S. Army achieving the rank of Lieutenant Colonel. Mr. Johnson has a master's degree in Civil Engineering from the University of Colorado and a bachelor's degree in Industrial Technology from Pittsburgh State University. He is also a licensed professional civil engineer in the state of Arizona.

Javier Setovich, Deputy Plant Operations, began serving in this position in 2013. Prior to joining Glendale Mr. Setovich worked for the City of Peoria leading a project team supporting the Public Works Division through the development and implementation of the capital program. He has held various leadership positions in the Utilities operations, maintenance, and construction areas for The City of San Francisco and the Contra Costa Water District in California. Mr. Setovich has a master's degree in Business from The University of Phoenix and a bachelor's in Marine Engineering Technology from the California Maritime Academy. He is a licensed professional civil engineer in the state of Arizona.

John Henny, Deputy Field Operations, began serving the Department in 1991. Prior to serving as the Deputy Field Operations in 2013, he served as the Operations Superintendent, Utilities Supervisor and Lead Water Service Representative. He has over 25 years of experience predominantly in project management, domestic water systems, construction and customer service. Mr. Henny's studies are in Public Administration and holds the following certifications; ADEQ Grade IV Water Distribution, Grade IV Waste Water Collection, Grade II Water Treatment and Universal Certification in CFC & HCFC.

Doug Kupel, Deputy Environmental Resources, began serving in this position in 2014. Prior to joining the City in 2012 he worked for the City of Phoenix where he spent twenty-five years in the City Attorney's Office. For much of that time he served as a water rights expert for Arizona's general stream adjudication. He finished his career at Phoenix as the acting Water Advisor, reporting to the Phoenix City Manager's office. Dr. Kupel has a

Ph.D. in history from Arizona State University as well as master's degrees from the University of Arizona and Northern Arizona University and a bachelor's degree in history from the University of Oregon.

The City Engineer is responsible for water and sewer systems' design, mapping and records, system information, construction contract administration, and, in conjunction with Department, the development of the capital improvement plans (the "*CIP*").

Accounting and Billing

A combined municipal services bill for water, sewer, sanitation, irrigation, landfill, recycling, and airport services is issued by the City Finance Department. Accounting and other financing services, including collection of delinquent closed accounts, is also provided by the department.

Water meters are read and all accounts are billed monthly. All water bills are due and payable when rendered and become delinquent if not paid within 19 days. If the total of a delinquent bill is not paid within 12 days, then a past due statement is generated and an "Intent to Disconnect" notice is mailed. The intent to disconnect notice allows 7 days to make payment or make other acceptable payment arrangements. If the total amount is unpaid on the 8th day, water service is discontinued to the premises of the delinquent customer and a delinquent collection fee of approximately $45.00 is charged to the customer's account. The total amount of the bill, including all fees, is to be collected or other acceptable arrangements made before water service is restored.

Financial Planning and Rate Development

City staff, along with professional consultants, conducts annual financial planning to determine the revenue requirements for the next 5-year and 10-year periods. The city's principal considerations in adjusting the water and sewer rates are to maintain the Systemss' operations as completely self-supporting enterprises and establish rates in a fair and equitable method.

The Water System

Treatment Facilities – Raw water is treated at the Cholla Water Treatment Plant, the Pyramid Peak Water Treatment Plant, and the Oasis Surface/Groundwater Water Treatment Plant. The City shares capacity of the Pyramid Peak Water Treatment Plant with the City of Peoria. The capacity is shared in proportion to each City's respective treatment capacity, which is 37 MGD for the City of Glendale and 11 MGD for the City of Peoria. The City operates the plant. The Water System service area encompasses 59 square mile both inside and outside the corporate limits of the City. The Cholla Water Treatment Plant Water is located in the central area of the City and receives its water supply directly from the Salt River Project (the "*SRP*") canal. The Oasis Water Treatment Plant is located in the west-central part of the City and received its water supply via SRP lateral canals and groundwater wells. The Pyramid Peak Water Treatment Plant is located in the north area of the City and receives its water supply directly from the Central Arizona Project canal.

Water treatment capacity available to the City in million gallons per day (the "*MGD*") at the facilities including groundwater capacity is shown below:

WATER TREATMENT FACILITY

Facility	Treatment Capacity (MGD)
Cholla Water Treatment Plant	30.0
Pyramid Peak Water Treatment Plant	37.0
Oasis Surface Water Treatment Plant	12.5
Oasis Ground Water Treatment Plant	10.0
Groundwater Wells	14.6
TOTAL	104.1

The system maintains other facilities. Storage capacity for treated water, in-ground reservoirs and elevated tanks, totals over 67 million gallons. The transmission and distribution system has more than 994 miles of water mains. These mains range in size from 4 inches to 5 feet in diameter. Public fire protection inside the water utility service area is provided by approximately 8,000 fire hydrants.

Water Demand – Customers of the system are divided into two separate water use classes (residential and commercial, which classes are further defined by those inside and those outside the corporate limits of the City) to reflect different service requirements and water rate schedules. The average increase in customer accounts over the past five years is less than 0.5% per year. The following table presents a summary of average number of customer accounts:

WATER CONNECTIONS BY CUSTOMER TYPE

At Fiscal Year Ended June 30	Residential	Multifamily	Commercial	Sprinkler	Total[1]
2009	53,523	1,670	3,886	1,640	60,719
2010	53,522	1,672	4,247	1,647	61,088
2011	53,663	1,674	4,264	1,655	61,256
2012	53,858	1,673	4,281	1,666	61,478
2013	54,056	1,680	4,296	1,669	61,701
2014	54,085	1,690	4,336	1,685	61,796

[1] Total number of accounts billed in any month is less than the total number of connections due to vacancies.

The ten largest water system customers and total water charges for fiscal year ended June 30, 2014 are as follows:

TEN LARGEST WATER SYSTEM CUSTOMERS[1]

Customer	Water Charges
City of Glendale	$ 773,925
Deer Valley Unified School District	525,011
Peoria Unified School District	357,673
Banner Thunderbird Hospital	226,104
Glendale Union High School District	178,435
Arizona Cardinals	153,232
Paul Rovey Dairy	132,847
Sienna Park Apartments	126,908
Rovey Farms Estates HOA	126,045
Maricopa Community College District	122,540
TOTAL	$ 2,722,720
Total as a percent of total water system rate revenue[2]	5.9%

1 An account represents a single water meter. The customer may have more than one meter at a service location and several service locations.

2 Based on total water system rate revenue of $45,514,000.

The following table summarizes the City's water deliveries from calendar years 2009 through 2013:

WATER DELIVERIES
Acre Feet

Calendar Year	Residential[1]	Commercial	Other[2]	Total
2009	31,457	10,122	5,606	47,185
2010	27,537	10,482	4,455	42,474
2011	27,409	11,143	9,558	48,110
2012	27,695	11,278	3,683	42,656
2013	26,921	10,634	3,050	40,605

1 Residential includes both single and multifamily housing.

2 Includes unbilled water and system losses.

Sources of Water Supply

The existing sources of water supply for the Water System include surface water from the Salt and Verde Rivers, groundwater from wells located throughout the Systems' service area, and Colorado River water from the Central Arizona Project. Additional water is available through the Salt River Pima-Maricopa Indian Water Settlement, the Plan Six Funding Agreement, and effluent reuse credits.

Surface and Groundwater Supply from the Salt River Project – The City, depending on the demand, obtains 50 to 56 percent of its water supply from the Salt River Project Agricultural Improvement and Power District. The Salt River Project was organized in 1903 to supply irrigation water to approximately 240,000 acres of farmland in and around the Salt River Valley. The Salt River Project obtains its water supply from the runoff of 13,000 square miles of Verde and Salt rivers' watersheds. The collection and storage system is composed of six major reservoirs having a combined capacity of over 2 million acre-feet (652 billion gallons). The reservoirs include the Theodore Roosevelt, Horse Mesa, Mormon Flat and Stewart Mountain Dams on the Salt River; and the Bartlett and Horseshoe Dams on the Verde River. Annual water allocations per acre are determined by the Salt River Valley Water Users Association based upon the total water shed flows into the reservoir system.

Under the Kent Decree of 1910, lands located within the area of the Salt River Project, "On-Project", have rights to the surface water of the Salt and Verde Rivers. With this decision, Arizona water rights within the Salt River Project area were recognized as being appurtenant to such lands. Therefore, landholders in Glendale and areas located within the boundaries of the Salt River Project are provided with a reliable water supply from this source.

As the portion of the City's service area located within the Salt River Project area boundaries urbanizes, water previously used for crop irrigation and other agricultural uses will become available for domestic and industrial uses.

The City pays the water assessments of "On-Project" landowners and takes delivery of the water at its Cholla and Oasis Water Treatment Plants. Payments for the water are based upon taxes, assessments and charges determined by the Salt River Valley Water User's Association.

During the five-year period ending December 31, 2013, payments to the Salt River Project for water obtained by the City are as follows:

SALT RIVER PROJECT WATER PAYMENTS

Calendar Year	Surface Water Obtained Acre Feet	Ground-water Pumped Acre Feet	Surface Water Stored & Recovered Acre Feet[1]	Total Water Obtained	Total Payments	Cost per Acre Foot
2009	24,188	528	0	24,716	519,255	21.01
2010	25,272	0	3,646	28,917	619,754	21.43
2011	20,669	0	5,106	25,775	591,471	22.95
2012	16,760	233	4,790	21,783	650,895	29.88
2013	17,159	719	4,861	22,739	620,882	27.30

[1] Water taken for recharge is stored at the New/Agua Fria Rivers Underground Storage facility.

Colorado River Central Arizona Project Supply – Beginning in fiscal year 1986-87, water supply became available from the CAP. The City's permanent service allocation of CAP municipal and industrial ("M&I") water from the Arizona Department of Water Resources ("ADWR") is approximately 17,236 acre feet.

The CAP was declared complete in October 1993, by the Secretary of the Interior. Upon the declaration of completion, participating cities and other contract entities began paying capital and operating and maintenance costs to the extent required by contract. The water rates are shown below

The City completed construction of the Pyramid Peak Water Treatment Plant in early 1987 and expanded it in 1998 and 1999. The facility was developed to receive and treat CAP water and has a re-rated treatment capacity of 48 MGD. The water treatment capacity of the plant is shared by agreement with the City of Peoria.

During the five-year period ended December 31, 2013, the payments to the Central Arizona Project for water obtained by the City are as follows:

CENTRAL ARIZONA PROJECT WATER PAYMENTS

Municipal and Industrial Charge			Capital Charge		Total Payments
Calendar Year	Water Obtained Acre Feet[1]	Rate per Acre Foot[2]	Allocation Acre Feet[2]	Rate Per Acre Foot [2]	
2009	22,146	$ 108	17,236	$ 18	$ 2,516,060
2010	15,698	118	17,236	18	2,642,236
2011	16,093	122	17,236	15	2,018,682
2012	9,418	122	17,236	15	1,541,290
2013	18,474	129	17,236	15	3,070,452

[1] Annual Report to Arizona Department of Water Resources

[2] Central Arizona Project.

City Groundwater Wells –water was pumped from eight City wells and nine SRP wells. The City continues to reduce its dependency on mined groundwater through increased use of its renewable supplies (i.e., surface water resources, and the City's aquifer recharge and underground water storage programs). The City's well water supply currently meets all state and federal water quality standards. The City will maintain adequate well production capabilities for drought mitigation and emergencies.

The following schedule provides a comparison by source of the maximum daily production capacity of the Water System with the average daily delivery to the distribution system over the five fiscal year period ended June 30, 2014. The maximum day peak demand made on the Water System each year is compared to total capacity available.

AVERAGE DAILY PRODUCTION CAPACITY COMPARED TO AVERAGE DAILY DELIVERY TO DISTRIBUTION SYSTEM

Sources of Supply	Daily Production Capacity (MGD)	Fiscal Year (MGD) 2010	2011	2012	2013	2014
Surface Water:						
Salt River Project:						
Cholla Plant	30.0	13.98	9.79	10.40	11.30	7.60
Oasis Surface Water Plant	12.5	6.04	5.20	4.60	1.60	4.20
Central Arizona Project:						
Pyramid Peak Plant [1]	37.0	17.10	18.52	16.00	16.89	15.77
Groundwater:						
SRP & City Direct Wells	14.6	2.03	3.72	7.57	7.72	10.28
Oasis Groundwater Plant	10.00	0.00	0.00	4.20	1.70	3.90
Total Average Daily Deliveries		39.15	37.23	42.77	39.21	41.75
Total Maximum Day Delivered	104.1	60.30	54.74	54.30	55.89	55.78

[1] The plant has the capacity to treat 48 MGD. The City of Peoria is allocated 11 MGD and the City is 37 MGD. The delivery amounts are for the City system only.

Salt River Pima-Maricopa Indian Community Water Settlement – In December 1987, the United States, the State of Arizona, the Salt River Pima-Maricopa Indian Community, the Salt River Valley Water User's Association, the Salt River Project Agricultural Improvement and Power District, the Roosevelt Water Conservation District, the Roosevelt Irrigation District, the Cities of Chandler, Glendale, Mesa, Phoenix, Scottsdale, and Tempe, the Town of Gilbert, Arizona, and the Central Arizona Water Conservation District agreed to permanently settle the water rights of the Salt River Pima-Maricopa Indian Community (SRPMIC) and its members, to finally resolve pending litigation on water rights and damage claims, and to seek funding for implementation of the settlement. Under the terms and conditions of this settlement, Glendale and the other Cities who were parties to this settlement obtained the rights to the following additional sources of water: (a) 22,000 acre-feet of water on the Colorado River Water with a Colorado River priority pre-dating September 30, 1968 (i.e., Wellton-Mohawk Irrigation District), and which was not included in the determination of water supplies available to the CAP; (b) up to 5,000 acre-feet, but no less than 3,000 acre-feet of CAP agricultural priority water assigned to the Cities by the Roosevelt Water Conservation District; and (c) a 99-year lease beginning in the year 2000 of 13,300 acre-feet of the SRPMIC CAP entitlement water. The City of Glendale's share of these water resources is shown on the "SUMMARY TABLE OF SOURCES OF WATER SUPPLY" below.

New River Utility CAP Assignment – On March 13, 1990, Glendale and New River Utility Company entered into a comprehensive agreement that resulted in the transfer of authority to serve water to a portion of Section 35, T4N, R1E, from New River Utility to Glendale. As part of that agreement, New River Utility transferred 100 acre feet of CAP water entitlement to Glendale on February 8, 1994.

Plan Six Funding Agreement – The City entered into an agreement with the United States and other political subdivisions pertaining to the cost sharing of "Plan Six" elements of the Central Arizona Project to ensure CAP's timely completion. The other political subdivisions to this agreement include: the State of Arizona, the Central Arizona Water Conservation District, Maricopa County Flood Control District, the Salt River Project, and the cities of Phoenix, Chandler, Scottsdale, Mesa, Tempe and Tucson.

The original elements of Plan Six included the New Waddell Dam on the Agua Fria River, new Cliff Dam on the Verde River, and modifications to the Roosevelt Dam and the Stewart Mountain Dam on the Salt River. With the exception of the Cliff Dam, which was de-authorized by the United States Congress, all of these projects have been substantially completed. The City, along with the other cities, contributed $38.5 million for new conservation space on the Salt River. The City paid its portion from revenues generated from the operation of the Water System. The Maricopa County Flood Control District contributed $10 million to offset flood control costs. The Salt River Project contributed $33.6 million for the dam safety features on the Salt River, and the Central Arizona Water Conservation District contributed $175 million for the New Waddell Dam. The federal government contributed $982.3 million and other entities contributed the remaining $10.3 million.

Under the terms of the agreement, the City's share of the new space behind Roosevelt Dam is 10 percent. The City of Phoenix received 50 percent, Mesa 15 percent, Chandler 10 percent, Scottsdale 10 percent and Tempe 5 percent. The City will receive an estimated long term average yield of approximately 8,100 acre feet per year in new conservation space behind the modified Roosevelt Dam.

SUMMARY OF SOURCES OF WATER SUPPLY

Contractual Source	Physical Source	Amount Acre Feet/Year	First Year Available
Salt River Project[1]	Salt & Verde River	55,455	1910
CAP Allocation	CAP/M&I	17,736	1986
SRPMIC/RWCD Assignment	CAP/AG	409 to 682	1994
SRPMIC/Wellton Mohawk	Colorado River	3,000	1994
SRPMIC/Indian 99-Year Lease	CAP/M&I	1,814	2000
City Service Area Wells	Groundwater	Variable	n/a
Plan 6/Modified Roosevelt Dam[2]	Salt River	8,100	1998

1 The amount of Salt River Project (SRP) water available to the City increases as the land area within the SRP area urbanizes. The volume of water is based upon the November, 2008, Assured Water Supply Study for Salt River Member Lands. The SRP water estimate does not include special pump rights.

2 The Plan 6 water is estimated at a maximum amount of 27,500 acre-feet per year and an average of 8,100 acre feet per year. This supply is only available when water is stored at the new conservation space at Modified Roosevelt Dam.

ANTICIPATED ADDITIONAL SOURCES

Contractual Source	Physical Source	Amount Acre Feet/Year	First Year Available
Reuse Credits[1]	Effluent	12,882	2001

1 In 2005 the City of Glendale West Area Water Reclamation Facility was expanded from 11,201 acre feet to an annual amount of 12,882 acre-feet of available reuse credits. The associated aquifer recharge projects are currently permitted for an annual amount of 13,841 acre-feet.

Assured Water Supply

In September, 2011, the City received its re-designation of Assured Water Supply from the Arizona Department of Water Resources. The Assured Water Supply program was created as part of the historic 1980 Groundwater Management Act. Applicants are required to demonstrate an assured water supply that will be physically, legally, and continuously available for the next 100 years before a developer can record plats or sell parcels. The City indicates that this designation assures that the City has a 100 year sustainable supply for all existing uses and developments reasonably projected to be platted through the year 2025.

Water Rate Structure

Water rate schedules are adopted by Mayor and City Council by resolution. Since January 2005, there have been six adjustments in water rates that increased water sales revenue, 3% which occurred in January 2005, 15% which occurred in October 2006, 13% which occurred in October 2007, 12% which occurred in October 2008, 11% which occurred in October 2009, and 12% which occurred in July 2010.

The City has formulated and implemented a water rate structure designed to provide sufficient net revenues to pay the operation, maintenance and debt service requirements of the system. The policy of the City is to annually review the financial status of the Water and Sewer Fund and rate structures in order to ensure that it is adequate to meet the City's obligations.

Currently, the water rates for residential customers includes a base monthly charge which varies by size of meter and an increasing volume charge structure that includes a first block charge for usage up to 6,000 gallons per month, a second block at a higher charge for usage between 6,000 and 15,000 gallons per month, a third block at a higher charge for usage between 15,000 and 30,000 gallons per month, and a fourth block having a higher charge for usage greater than 30,000 gallons per month. Rates to commercial customers have a volume charge which has one rate for all water usage (year-round) and a second, higher rate which is assessed on usage May through October. Commercial customers also pay a base monthly charge which has no allowance for water usage and varies by size of meter. Customers within the service area but outside the corporate limits of the City are charged higher rates.

The median 5/8" meter residential customer was billed 116,400 gallons of water in fiscal year 2014. Based on the seasonal consumption of the customer and the present schedule of rates, the average water volume charge was $22.76 a month. With the monthly base charge of $9.70, the average water bill was $32.46.

The following monthly base charge applies to all metered water services for:

WATER RATES PER METER SIZE

	Monthly Base Charge	
Meter Size	**Inside City**	**Outside City**
5/8 x 3/4 Out	$9.70	$12.61
3/4 x 3/4 Out	12.30	15.99
1 inch	17.40	22.62
1 ½ inch	35.30	45.89
2 inch	62.90	81.77
3 inch	106.00	137.80
4 inch	189.00	245.70
6 inch	376.00	488.80
8 inch	557.00	724.10
10 inch	896.00	1,164.80
12 inch	1,326.00	1,723.80

In addition to the monthly base charge, there is a volume charge each one thousand (1,000) gallons based on customer class as follows:

METERED WATER USAGE CHARGES
Effective July 1, 2010

	Residential and ¾" Commercial Meter Size		Commercial 1 inch Meter Size and Larger			
	All Year		Winter Rate		Summer Rate	
Tier 1,000 gallons	**Inside City**	**Outside City**	**Inside City**	**Outside City**	**Inside City**	**Outside City**
0 – 6	$ 2.14	$ 2.79	$ 2.28	$ 2.97	$ 2.85	$ 3.71
7 – 15	2.68	3.49	2.28	2.97	2.85	3.71
16 – 30	3.76	4.89	2.28	2.97	2.85	3.71
Over 30	5.27	6.86	2.28	2.97	2.85	3.71

Environmental Matters – The City is subject to various federal, state and county environmental and health laws and regulations relating to water quality. To the best of the City's knowledge, it is in compliance with all such laws. Known costs incurred in maintaining such compliance have been projected in the Capital Improvement Plan for the City's Water System. There is the possibility that additional, as yet unspecified, future requirements may result in additional costs of compliance, but it is not possible to state at this time the extent of such unknown future costs or their effect on the Water System.

Litigation – There is currently pending in the Superior Court of Maricopa Court, a matter entitled In Re the General Adjudication of All Rights to Use Water in the Gila River System and Source. This action will involve the court adjudication of the rights of all surface water claimants, including the City of Glendale, to use water from the Gila River and its tributaries, including the Salt River, Verde River, Agua Fria River and others. It is unlikely the adjudication will issue a final decree or judgment affecting the City's rights to groundwater before 2030, and in the opinion of the City Attorney's Office it is unlikely that CAP water will be subject to the adjudication. The adjudication is not expected to have a substantial effect on the City's water supply.

Drought Management Plan

The city adopted a Drought Management Plan (the "*Plan*") in June 2004 to provide measures that would be taken in the event of water supply shortages during a drought. The Plan provides for four stages of reduction activity. The city manager is authorized to declare a stage one drought watch and stage two drought alert when the city's water supply appears unable to meet the projected demand as discussed in the Plan. The council may declare a stage three drought declaration and stage four drought emergency when the city's water supply appears unable to meet the projected demand as discussed in the Plan. The city manager is authorized to terminate a stage one drought watch and a stage two drought alert in accordance with the Plan. The council is authorized to terminate a stage three drought declaration or a stage four drought emergency in accordance with the Plan. Notice of the declaration of a stage one drought watch, a stage two drought alert, a stage three drought declaration or a stage four drought emergency shall be given by publication of a display ad in a newspaper of general circulation in the city and incorporated into the city water bill messages at least one time immediately following the declaration. Other notice deemed appropriate may be given. The notice shall set forth any mandatory reductions in water use in accordance with the Plan.

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The Sewer System

The Sewer System serves more than 57,000 active connections within a 59 square mile service area at three treatment facilities. The City jointly owns the 91st Avenue Waste Water Treatment Plant (91st Avenue WWTP) with the Sub Regional Operating Group (SROG) consisting of the cities of Phoenix (the operator of the plant), Scottsdale, Mesa, and Tempe. The City owns 13.2 MGD of the total 204.5 MGD capacity at the 91st Avenue WWTP. In addition, the City owns and operates two Water Reclamation Facilities (WRFs). The Arrowhead Ranch Water Reclamation Facility, located in the north end of the City, with a capacity of 4.5 MGD and the West Area Water Reclamation Facility, located in the west-south area of the City with a capacity of 11.5 MGD. The City also owns and operates the Glendale Aquifer Recharge Facility that has the capacity to recharge up to 7 MGD of treated effluent from the West Area WRF, for which the City receives Arizona Department of Water Reclamation well water credits. In order to recharge its additional flow from the West Area WRF, the City has recently purchased a 20% share in the New River Aqua Fria Underground Storage Project.

The Collection System – The wastewater collection system contains more than 707 miles of sewer lines. These lines range in sizes from six inches to 54 inches in diameter. There are 13,338 manholes and 1,085 cleanouts available for access to the main sewer system. The age of the lines are shown on the following table.

AGE OF SEWER LINES

Built (or Retrofitted)	Age	Miles	% of Total
Prior to 1970	40 years +	88	12
1971 - 1980	30 - 40 years	204	29
1981 - 1990	20 - 30 years	170	24
1991 - 2000	10 - 20 years	143	20
2001 - Current	Less than 10 years	102	15
TOTAL		707	100

The total sewer connections in June 2014 and the average annualize flow which was collected by the sewer mains and treated for the five fiscal years ended June 30, 2014 are as follows:

SEWER CONNECTIONS AND SEWAGE TREATED

Fiscal Year	No. of Sewer Connections	91st Avenue Plant (MGD)	Arrowhead (MGD)	West Area (MGD)	Total Treated (MGD)
2010	56,709	6.8	2.8	8.4	18.0
2011	56,868	8.3	2.3	5.4	16.0
2012	57,087	7.9	2.3	4.4	14.6
2013	57,300	7.3	2.5	5.8	15.6
2014	57,385	8.4	2.7	6.0	17.1

The ten largest sewer system customers by total sewer charges for fiscal year ended June 30, 2014 are as follows:

TEN LARGEST SEWER SYSTEM CUSTOMERS

Sewer System Customer[1]	FY 2013-14 Sewer Charges
New River Associates (Arrowhead Town Center)	$ 147,606
Sienna Park Apartments	131,981
Banner Thunderbird Hospital	126,462
FSC Olive Tree Associates, LLC (Apartments)	97,608
Kums, Inc (Apartments)	91,165
John Q. Hammons (Renaissance Hotel)	87,586
Fred Meyer (Fry's Markets)	85,764
Arizona Sports & Tourism Authority (Cardinal's Stadium)	78,676
Peoria Unified Scholl District	73,743
Tresa at Arrowhead, LLC (Apartments)	71,909
TOTAL	$ 992,500
Total as a Percent of Total Sewer System Fees/Charges[2]	3.0%

1 An account represents a single water meter. Sewage flows are calculated as a percentage of water flow. There may be more than one meter per customer and multiple locations.

2 Based on total sewer system charges of $32,451,000.

Sewer Rate Structure – Sewer rate schedules are adopted by the Mayor and City Council by resolution.

The City has formulated and implemented a sewer rate structure designed to provide sufficient net revenues to pay the operation, maintenance and debt service requirements of the Sewer System. The policy of the City is to annually review the financial status of the Water and Sewer Fund and rate structure in order to ensure that it is adequate to meet the City's obligations. Since January, 2005 there have been five increases in sewer rates: 15% which occurred in October 2006, 12% in October 2007, 12% in October 2008, 11% in October 2009, and 12% in July 2010.

Currently, the City's sewer rate methodology assesses a volume charge which varies by user class, based on the relative strength of the sewage discharged by the total user class, and the 90%/95% of the average volume of water consumption for January, February, and March (the "*JFM Avg*"). The JFM Avg is updated every year with the May bill. A fixed monthly base charge is assessed on each account.

For fiscal year 2014, the median residential customer volume charge was $22.43 based on the 90% of the JFM Avg water consumption of 7,000 gallons and the present schedule of rates. Including the monthly base charge of $9.20, the monthly sewer bill was $31.63.

The following sewer service rates are for the major customer classes. In the event the active water account is for the sole purpose of providing fire flow, lawn, landscaping or other irrigation and sprinkling or other use approved by the City engineer not requiring a sewer connection, the following service rates do not apply.

SEWER SERVICE RATES

Customer Class	Monthly Fee	Volume Charge per 1,000 gallons	New customer sewer flow avg. 1,000 gallons
Single Family Residential	$ 9.20	$ 3.56	8.1
Multifamily > 10 units	9.20	3.56	165.2
Office Building	9.20	2.82	14.3
Restaurant	9.20	7.03	58.0
Shopping Center	9.20	7.03	69.7
Retail/Wholesale	9.20	2.92	22.2

Outside city service rate is 130% times the inside city rates.

Regulatory Requirements and Environmental Matters – The City's wastewater operations are subject to regulatory requirements relating to the Federal Water Pollution Control Act as amended (the "Clean Water Act"). The regulatory requirements are administered by the Arizona Department of Environmental Quality (ADEQ). Regulations of this agency deal primarily with the quality of effluent from the three discharging wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, and the nature of waste material (particularly industrial waste) discharged into the collection system.

As a condition of having received Federal EPA grant funds under the Clean Water Act for planning, design, and construction of various wastewater projects, the City is subject to additional grant-related regulatory requirements. Among the grant-related requirements are guidelines which must be followed concerning planning methodologies, design criteria, construction activities, and the operation, maintenance and financing of facilities.

Discharges to the groundwater are regulated by the Arizona Department of Environmental Quality (ADEQ) through the issuance of Aquifer-Projection Permits.

To the best of the City's knowledge, it is in compliance with the laws and regulations applicable to its Sewer System. Known costs incurred in maintaining such compliance have been projected in the Capital Improvement Program for the City's Sewer System. There is the possibility that additional as yet unspecified, future requirements may result in additional costs of compliance, but it is not possible to state at this time the extent of such unknown future costs or their effect on the Sewer System.

Summarized Capital Improvement Program

Water and sewer capital projects account for the largest portion of City Capital Improvement Plan (the "*CIP*") funds. Most water and sewer projects will be funded from Water and Sewer Fund revenue.

In general, the CIP includes projects for rehabilitation and replacement to the treatment plants' components, water mains and sewer lines throughout the City; the city's share of replacement cost at the 91st Avenue Wastewater Treatment Plant, improvements and upgrades to the automation and environmental systems and purchase of additional water supply rights. The total water and sewer CIP budget for the next five years beginning in FY 2015-20 is $104.2 million.

Water and Sewer Financial Statements

The following sets forth the water and sewer comparative schedules of revenues, expenditures, and changes in fund balance for the five fiscal year period ended June 30, 2013 (audited) and the fiscal year ended June 30, 2014 (unaudited). For additional financial information on the Water System and Sewer System, see "CITY OF GLENDALE, ARIZONA – AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2013" – in Appendix C.

CITY OF GLENDALE, ARIZONA
WATER AND SEWER COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
(in thousands)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Unaudited
OPERATING REVENUES:						
Intergovernmental	$ 1	$ 0	$ 0	$ 573	$ 549	$ 283
Metered water sales	37,361	41,788	44,674	46,523	45,022	45,514
Sewer service charges	26,798	29,092	32,602	31,630	32,905	32,451
Other fees	2,107	4,866	1,936	3,157	2,838	2,358
Total Operating Revenues	66,267	75,746	79,212	81,883	81,314	80,606
OPERATING EXPENSES:						
Water	18,206	19,014	18,516	17,967	16,464	17,989
Sewer	12,684	12,118	12,386	12,596	11,854	12,779
Administration & general	9,285	12,496	10,648	10,992	10,885	11,776
Amortization & depreciation	19,152	19,406	19,561	19,857	19,914	20,266
Total Operating Expenses	59,327	63,034	61,111	61,412	59,117	62,770
Operating Income	6,940	12,712	18,101	20,471	22,197	17,836
NONOPERATING REVENUES (EXPENSES):						
Impact Fees	1,632	940	1,369	1,493	1,268	811
Investments	1,401	301	546	120	872	316
Interest Expense	(13,068)	(12,920)	(13,370)	(13,079)	(12,660)	(10,186)
Net loss from joint venture	(2,013)	(4,485)	(2,912)	(2,848)	0	(3,764)
Bond issuance cost	(169)	(169)	(192)	(202)	0	0
Gain (loss) on disposal of assets	45	41	27	0	25	0
OPEB expense	59	(1,044)	(1,130)	(1,121)	(1,634)	(409)
Total Nonoperating Revenue (Expenses)	(12,113)	(17,336)	(15,662)	(15,637)	(12,129)	(13,232)
Income before contributions and transfers	(5,173)	(4,624)	2,439	4,834	10,068	4,604
Capital Contributions	488	313	33	612	831	2,408
Transfers In	0	0	0	0	375	0
Transfers Out	(53)	(184)	(40)	0	(41)	(146)
Change in net position	(4,738)	(4,495)	2,432	5,446	11,233	6,866
Total net position – beginning -restated	379,855	375,117	370,622	373,054	375,203[1]	386,436
Total net position - ending	375,117	370,622	373,054	378,500	386,436	393,302

[1] The City implemented GASB #65, a change in accounting principle related to bond issuance costs. This accounts for the restatement of net position.

APPENDIX B

CITY OF GLENDALE, ARIZONA
GENERAL AND FINANCIAL INFORMATION

General

The City of Glendale, Arizona (the "City" or "Glendale") is the fifth largest city by population in the State of Arizona and is located in the northwest portion of the Phoenix metropolitan area. The City is one of eight major cities comprising the greater Phoenix metropolitan area, which is Arizona's economic, political, and population center.

Founded in 1892 and incorporated in 1910, the City has an estimated 2013 population of 231,109. The following table illustrates Glendale's growth expressed by population statistics for the City along with the population statistics for Maricopa County, Arizona (the "County") and the State of Arizona, (the "State" or "Arizona") respectively.

Population Statistics

Year	City of Glendale	Maricopa County	State of Arizona
2013 Estimate (a)	231,109	3,944,859	6,581,054
2010 Census	226,721	3,817,117	6,392,017
2005 Special Census	242,369	3,700,516	6,044,985
2000 Census	218,812	3,072,149	5,130,632
1995 Special Census	172,684	2,355,900	4,307,150
1990 Census	148,134	2,122,101	3,665,305
1985 Special Census	122,392	1,829,500	3,187,000
1980 Census	97,172	1,509,262	2,716,333
1970 Census	36,228	971,228	1,775,399

(a) Population estimates as of July 1, 2013 (released December 2013) provided by the Office of Employment and Population Statistics, Arizona Department of Administration.

Source: U.S. Census Bureau; City of Glendale, Arizona Planning Department.

Along with population growth, the City has also grown in terms of land area as evidenced by the following table which illustrates the City's square mile statistics.

Square Mile Statistics
City of Glendale, Arizona

Year	Square Miles
2014	59.98
2010	59.02
2000	54.60
1990	50.09
1980	39.94
1970	16.83
1960	3.80

Source: City of Glendale Planning Department.

Municipal Government and Organization

The City operates under and is governed by the Council-Manager form of government, in accordance with its Charter. In addition, under the Arizona Constitution, the City may exercise all powers of local self-government to the extent it is not in conflict with applicable general laws. The City is also subject to certain general laws that are applicable to all Arizona cities.

Legislative authority is vested in a seven-member City Council consisting of a mayor elected at large and six council members elected based on a system of geographic districts. Council members serve a term of four years on a staggered basis and the Mayor is elected for a four-year term. The Council fixes compensation of officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal purposes and appoints the City Manager, the City Clerk, the City Treasurer, municipal judge and assistant municipal judge and the City Attorney. The Council also appoints members to a number of City boards and commissions.

Key Administrative Staff

Brenda Fischer, *City Manager* – Brenda Fischer has been the Glendale City Manager since July 2013. She has nearly 20 years of municipal experience with management expertise in public administration, finance, human resources, intergovernmental relations, economic development, strategic planning, labor relations and public information.

Since being appointed by the Glendale City Council, Fischer has implemented a five year budget forecast and presented short-term budget solutions without layoffs or reductions in service to the community. She also reorganized the City's structure and operations resulting in a streamlining of the organization that has increased productivity, efficiency and created future cost savings. Fischer is also known for being pro-active within the business community by outreaching with regular communication to local business and community leaders including sharing city information via a monthly City Manager report.

Prior to coming to Glendale, Fischer managed the City of Maricopa from 2011 to 2013 and also worked in city government as a Deputy City Manager in Glendora, California and spent 15 years in management positions in southern Nevada working for the cities of Henderson and North Las Vegas.

Fischer is a credentialed city manager from the International City/County Management Association (ICMA) and a member of the Arizona City/County Management Association. She has a master's degree in public administration from the University of Nevada, Las Vegas and a bachelor's in journalism/public relations with a sports information emphasis from the University of Southern California.

Michael Bailey, *City Attorney* - Michael D. Bailey is the City Attorney for the City of Glendale Arizona. Mr. Bailey is licensed to practice law in Arizona and California. Mr. Bailey holds a bachelor's degree of Science in Business Administration and a Juris Doctorate from Chapman University. Additionally, Mr. Bailey holds a Masters in Public Administration from American Public University. Prior to serving Glendale, Mr. Bailey was the City Attorney for the City of Surprise Arizona.

Tom Duensing, *Chief Financial Officer* - Tom Duensing has over 23 years of government finance experience. Since October of 2013, Mr. Duensing has been serving as the Finance and Technology Director for the City of Glendale. Prior to working in Glendale, he served at the City of Tempe and the City of Maricopa in various financial roles including Accounting Supervisor, Deputy Finance Director, City Auditor, Finance Director and Assistant City Manager. Mr. Duensing has also worked as an auditor in public accounting specializing in local government auditing and in the Arizona Governor's Office where he was responsible for grants administration. Mr. Duensing holds a B.S. in Accounting, an M.B.A., and is a Certified Public Accountant. He is a member of the Government Finance Officers Association of Arizona, the Government Finance Officers Association, the American Institute of Certified Public Accountants, and the Arizona Society of Certified Public Accountants.

Vicki Rios, *Assistant Finance Director* - Ms. Rios has 17 years of government finance experience. Since December of 2013, Ms. Rios has been serving as the Assistant Finance Director for the City of Glendale. Prior to working in Glendale, Ms. Rios served as Deputy Finance Director and Interim Treasurer for the City of Phoenix and held progressively responsible positions with the City of Peoria, Arizona including her most recent position as Revenue

Manager. Since 2002, Ms. Rios has been an adjunct professor at Arizona State University and Glendale Community College. Ms., Rios is also the Chairperson of the Certification Advisory Committee for the Arizona State Board of Accountancy. She holds a Bachelor's degree, a Post-Baccalaureate Certificate in Accountancy, an M.B.A, and is a Certified Public Accountant. She is recognized as a Certified Public Finance Officer (CPFO) and is a member of the Government Finance Officers Association of Arizona and the Arizona Society of Certified Public Accountants.

Employees

As of June 30, 2014, the City had approximately 1,592 full-time and part-time employees and a fiscal 2014 gross payroll of $154.5 million. The City Council establishes salaries, wages and other economic benefits for City employees. In 2005, the City Council enacted an ordinance allowing certain members of the City's Fire Department and Police Department to be represented by employee organizations. City management is authorized to meet and confer with the employee organizations on specific matters, including wages, working conditions, and non-healthcare related benefits.

Economy

As Arizona's fifth largest city with a population of over 230,000 and a median household income of $57,481 the City is an economic engine of the Greater Phoenix West Valley, bordering the City of Phoenix on its eastern/southern borders. From its beginnings as an early farming settlement in the 1880's, to a military center of excellence after World War II, it has now evolved into the major sports, healthcare, education and corporate employment center.

As a result of the City's strategic location within the County and the Phoenix MSA, its economic efforts toward a business-friendly environment and its amenities and workforce attractiveness, the City has had a number of significant business investments in recent years, including: Despite the budgetary challenges addressed in this year's process, economic activity continues to thrive throughout the City. A number of major business developments and initiatives will have positive implications for Glendale's economy. City staff has facilitated more than 2,700 new jobs for Glendale this year, which is expected to result in the occupancy of 1.7 million new and existing square feet of office, industrial and retail space. This brings the grand total to more than 10,600 jobs created in the last six years alone – nearly 7,000 from new companies to Glendale and more than 3,600 jobs from existing companies. Newly-located businesses in Glendale include: NPL (Northern Pipeline), Harvard Drug, American Furniture Warehouse, Mattamy Homes, The Pain Center of Arizona, Canyon State Bus, Hensley Distribution, Avanti Windows, Empereon Marketing, New West Oil, Lockheed Martin, Glendale Ironwood Cancer Research Center, and Banner Health.

Several Key Economic Corridors within the City include the Northern Economic Corridor, Historic Downtown, and the 101 Economic Corridor and Loop 303.

Northern Economic Corridor.

Arrowhead Towne Center/Bell Road Retail Corridor – mixed use master planned community with residential, employment, recreation, shopping and dining. Approximately 1/3 of the City's retail sales tax revenues are generated in this area.

Midwestern University – 143 acre Glendale campus has been developed over the past decade. The campus offers state-of-the-art practice labs, lecture halls, and classrooms, as well as a comprehensive library and outpatient clinics. The campus has over _____ graduate students and offers five major programs currently and is the largest medical school in the State: The Arizona College of Osteopathic Medicine, College of Pharmacy, College of Health Sciences, College of Optometry, and the College of Dental Medicine – Arizona. Midwestern has also announced that they will be building Arizona's first-ever school of veterinary medicine, to be completed in 2014. [RBC TO UPDATE]

Banner Thunderbird Medical Center –They are currently the fourth largest hospital in the Phoenix metropolitan area with 561 licensed beds and nearly 3,000 employees.

Honeywell Aerospace – The Glendale facility of Honeywell Aerospace is one of the City's larger private employers with over 1,100 employees.

AAA Glendale Operations Center – a major information technology and customer service center in the City with over 1,300 employees.

Glendale's Historic Downtown.

Glendale Civic Center – Located in the heart of historic downtown, the Glendale Civic Center offers 33,000 square feet of indoor and outdoor meeting space for corporate events, trade shows, weddings and private parties.

Murphy Park/Caitlin Court - "The Downtown Dining District," "The Arts and Culture District," "The Old Towne Shopping District," and "Antiques Capital of Arizona."

Saguaro Ranch Park –Preserving one of the Valley's oldest and most magnificent ranches, the 17-acre Saguaro Ranch Park Historic Area features 13 original buildings, a rose garden, barnyard and historic orchards. Listed on the National Register of Historical Places and known as the "Showplace of the Valley," the Saguaro Ranch Park Historic Area offers activities, exhibits and guided tours—keeping the history of early settlement in the Valley alive.

Glendale's 101 Economic Corridor.

Westgate City Center – Westgate City Center offers a vibrant outdoor setting with unique water features, delivering an interactive shopping, dining and entertainment experience. It is anchored by Jobing.com Arena, home of the Phoenix Coyotes, and the University of Phoenix Stadium, home to the Arizona Cardinals. Some of the major business located within Westgate City Center, are:

(i) Gila River Arena / Arizona Coyotes – Owned by the City of Glendale, Gila River Arena (the "Arena") is home to the National Hockey League's Arizona Coyotes (the "Coyotes" or the "Team").

(ii) Tanger Factory Outlets Westgate – After breaking ground in April 2012, the Tanger Outlets at Westgate project opened in November 2012. Located just west of the Westgate city center along the Loop 101 in the Sports and Entertainment District, the newly built 368,000 square feet of space is now home to 85 top name-brand shops, such as Abercrombie & Fitch, Banana Republic, Brooks Brothers, Michael Kors, Nike and Coach.

(iii) Cabela's - In addition to offering quality outdoor merchandise, the 160,000 sq. ft. showroom is an educational and entertainment attraction, featuring a décor of museum-quality animal displays, huge aquariums and trophy animals interacting in realistic re-creations of their natural habitats.

(iv) University of Phoenix/Cardinal's Stadium – The primary tenants in the stadium include the NFL's Arizona Cardinals and the annual college football Fiesta Bowl. The 63,400-seat stadium will host the upcoming 2015 Super Bowl and the 2015 NFL ProBowl after successfully hosting the championship game in 2008.

Dignity Health – St. Joseph's Westgate Medical Center is a not-for-profit, 24 bed inpatient hospital that opened on May 13, 2014. The medical campus and hospital features new approaches to healthcare. The campus utilizes the most innovative uses of materials to promote patient safety, patient satisfaction and medical efficiency. St. Joseph's Westgate provides two operating rooms, two procedure rooms, a 12 bed emergency room and 12 universal care beds. Services included general surgery, orthopedics, urology, gastrointestinal and endoscopy.

Camelback Ranch - Located just across the Loop 101 from Glendale's Sports and Entertainment District, Camelback Ranch is the Spring Training home of the Los Angeles Dodgers and Chicago White Sox.

Glendale's Future Economic Corridor – the Loop 303.

Luke Air Force Base - Luke Air Force Base is one of Glendale's, and the West Valley's, primary economic drivers, located just east of the Loop 303. Luke was officially annexed into the City of Glendale in 1995 and is considered the economic center of both the Loop 303 corridor and the West Valley. The base population includes about 4,830 military members and Department of Defense civilians. With about 70,000 retired military members living in greater Phoenix, the base services a total population of nearly 80,000 people. Approximately 300 pilots train at Luke annually and proceed to combat assignments throughout the world. The 56th Fighter Wing also trains more than 350

maintenance technicians each year. The base has an economic impact of $2.17 billion annually to the Arizona economy and recently celebrated the opening of its F-35 Lightning II Academic Training Center.

The new facility will provide state-of-the-art training for fighter pilots and continue Luke's mission to train the world's best fighter pilots. The F-35 is the world's most advanced multi-role fighter and will replace aging fighter inventories in the Air Force, Navy and Marines.

Glendale 2025, the City's General Plan, identifies future land uses for this area that are compatible with Luke Air Force Base and captures appropriate land uses adjacent to the Loop 303. Much of the land in this area is located within the 65-decibel noise contours for Luke with the goal of continuing to protect Air Force operations.

The City has a diverse employer base. The following is a list illustrating major employers in the City.

Major Employers
City of Glendale, Arizona
as of June 30, 2014

Employer	Service	Approximate Number of Employees
Luke Air Force Base	Military	5,610
Banner Thunderbird Health System	Health Care	2,900
Arrowhead Towne Center	Retail	2,500
Wal-Mart	Retail	2,175
Glendale Union High School District	Education	1,944
Glendale Community College	Education	1,790
Glendale Elementary School District	Education	1,608
AAA	Insurance	1,000
City of Glendale	Government	1,592
Arrowhead Hospital	Health Care	1,010

Source: City of Glendale, Arizona.

The following table compares the City's unemployment averages with those of the United States, the State and the County for the last five years.

Unemployment Averages

Year	United States	State of Arizona	Maricopa County	City of Glendale
2014 [(a)]	6.3%	7.1%	6.0%	6.1%
2013	7.4	8.0	6.7	6.9
2012	8.1	8.3	7.2	7.7
2011	8.9	9.4	8.5	8.9
2010	9.6	10.4	9.6	9.9
2009	9.3	9.8	9.0	9.3

(a) As of September, 2014.

Source: Arizona Department of Economic Security, Research Administration, Economic Analysis; US Department of Labor, Bureau of Labor Statistics.

Construction

The following tables depict building permit activity and value for residential and non-residential construction in the City, in addition to new housing starts in the City. It is anticipated that residential construction will continue on a slight downward trend as Glendale approaches build-out. If Glendale is successful in annexing properties in the Loop 101 Corridor and the Loop 303 Corridor, residential build-out may occur between 2020 and 2025.

Value of Building Permits
City of Glendale, Arizona

Fiscal Year	Residential	Commercial & Industrial	Other[(a)]	Total
2014	$42,250,810	$109,564,039	$51,825,857	$203,640,706
2013	81,624,695	110,568,843	79,288,170	271,481,707
2012	99,977,051	48,425,681	54,837,384	302,240,116
2011	39,397,373	71,663,689	6,712,915	117,773,972
2010	28,008,551	82,907,408	52,042,366	162,958,325

(a) Other category is comprised of a variety of sources including residential garages and carpools, swimming pools and spas, signs, demolitions and razings, and other miscellaneous sources.

Source: City of Glendale, Arizona Building Safety Department.

Building Permits[(a)]
City of Glendale, Arizona

Fiscal Year	Total Building Permits
2014	4,799
2013	6,383
2012	5,304
2011	5,619
2010	5,194

(a) The date on which the permit is issued is not to be construed as the date of construction.

Source: City of Glendale, Arizona Building Safety Department.

Sales Tax Revenue

The following City sales tax revenue is based on the City's sales and use tax collections from its 1.9% sales tax levy together with the restaurant and bar (2.9%), hotel (6.9%), construction (1.9%), and communication (5.1%) portions of the total sales tax collections. These revenues do not reflect sales tax revenues received by the City which are restricted to use for police, fire and transportation.

Sales Tax Revenue
City of Glendale, Arizona

Fiscal Year	Amount
2014	$88,764,000
2013	82,678,263
2012	56,158,067
2011	54,884,920
2010	53,807,689

Source: City of Glendale Finance Department.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

In the year 2000, the Loop 101 freeway was opened as part of the City's general plan for future west area development. The freeway's opening has spurred residential, commercial and industrial development in the adjacent areas, and increased access to venues such as the Arena and the University of Phoenix NFL stadium. (See "Additional Information" below.) Major transportation corridors that connect Glendale to the entire metropolitan region include historic Grand Avenue, Loop 303 in the far west, the Loop 101 in the western and northern parts of the city, and the Northern Parkway, which is currently in phase two of construction, connecting several West Valley cities. Glendale is a member of the Valley Metro, the area's Regional Public Transportation Authority (RPTA). Glendale Transit provides a wide range of convenient, low-cost transportation alternatives for Glendale citizens and visitors, including fixed-route bus service, Glendale Dial-A-Ride, Glendale Urban Shuttle (GUS) bus service, ADA service and a taxi-subsidy program.

Glendale also operates a municipal airport. Located just five miles west of downtown Glendale, five miles east of Luke Air Force Base, and 30 minutes northwest of downtown Phoenix, this 477-acre modern airport features a beautifully designed two-story, 18,000 square-foot terminal, a Federal Aviation Administration contract-tower, and complete airport services for general aviation and corporate jet traffic. The airport's facilities include a 7,150 foot paved and lighted runway, a $2.3 million terminal, a 10,000 square-foot hangar and many smaller, enclosed hangars for aircraft. The full-service airport is accessible to general aviation aircraft from single-engine planes to corporate jets. Twenty-one businesses are located on the field and 186 new hangars have been built. In addition, a new business park is being planned for the east side of the landing field. A full service fixed base operator is located on the field with two grades of fuel and full maintenance is available.

Airlines Serving Sky Harbor International Airport
as of October, 2014

Airline	
Aero Mexico	JetBlue Airways
Air Canada	Southwest Airlines
Alaska Airlines	Spirit Airlines
American Airlines (a)	Sun Country Airlines
British Airways	United Airlines
Delta Airlines	US Airways (a)
Frontier Airlines	Volaris
Great Lakes Airlines	WestJet
Hawaiian Airlines	

(a) American Airlines and US Airways merged on December 9, 2013. The two airlines will continue to operate separately until a single operating certificate is achieved within the next 18-24 months.

Source: City of Phoenix Aviation Department.

Number of Passengers Arriving and Departing
Sky Harbor International Airport
As of August, 2014

Calendar Year	Deplaned	Enplaned	Total
2014	14,225,326	14,234,571	28,459,897
2013	20,174,643	20,166,971	40,341,614
2012	20,279,006	20,169,926	40,448,932
2011	20,380,496	20,211,799	40,592,295
2010	19,329,480	19,225,050	38,554,530

Source: City of Phoenix Aviation Department.

Education

The City is home to four major institutions of higher education. Glendale Community College is one of the campuses which comprise the Maricopa County Community College District. The College offers a curriculum leading to an Associate of Arts degree. The American Graduate School of International Management (Thunderbird) is currently a privately-owned graduate-level institution offering a curriculum leading to a Masters of International Management degree. Thunderbird is currently in negotiations to be acquired by Arizona State University.

Midwestern University has a 143-acre campus located in Glendale. This university specializes in health care education, providing programs that range from osteopathic medicine to cardiovascular science. Midwestern is in the midst of a $140 million expansion and expects to have over 2,700 students once the expansion is complete in 2014.

The Arizona State University West campus is a 300-acre campus located on Glendale's eastern border. Over [400] business classes are offered at the campus for junior and senior students. In addition, a complete Masters of Business Administration program is available.

Residents of the City are also served by numerous elementary schools, junior high schools and high schools.

DEBT AND FINANCIAL DATA

Introduction

The City's fiscal year is from July 1 through June 30.

The Director of Finance and Technology is responsible for finance, management and budget, procurement, accounting, computer-related planning, evaluation and installation of hardware and software throughout the City. The Economic Development Director is responsible for attracting, retaining and expanding businesses and providing redevelopment and business assistance and encompasses economic development, planning and building safety services.

Expenditure Limitation

Commencing in fiscal year 1982-83, the City became subject to the annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the City's actual expenditures for fiscal year 1979-80, with this base adjusted annually to reflect population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, such as expenditures made from federal funds and bond sale proceeds, as well as debt service payments. The limitation can be exceeded for certain emergency expenditures or if approved by the voters. The constitutional provisions which relate to the expenditure limitation provide three processes to exceed the spending limit: a local home rule option; a permanent base adjustment; and a one-time override.

On March 16, 1982, the voters of the City approved a local home-rule option proposition referred to them by the City Council to exceed the statutorily imposed expenditure limit in all areas of City operations in the 1982-83 fiscal year and the three succeeding fiscal years to the extent of revenues anticipated to be received by the City. Successive authorizations to exceed the statutory limitation for four year periods were approved on March 1986, on March 1990 and on March 1994. On February 24, 1998 the City Council adopted a Resolution proposing an extension of the Alternative Local Expenditure Limitation tests for four more years and was approved by voters at the May 19, 1998 General Election. From July 1982 to June 2002, the City was subject to the home-rule option. The City is now subject to the State imposed expenditure limitation with which the City is in full compliance. On May 16, 2000, voters approved a permanent base adjustment to the 1980 expenditure limitation thereby increasing it from $21.5 million to $68 million (in 1980 dollars). This base year is adjusted by an inflation and population factor from year to year. The approval of this permanent adjustment by the voters will have no effect on sales and property taxes.

Operating Budget Process

The budget process emphasizes the City's objective of making the budget not only a financial plan but also a policy document, operations guide and a communications device as recommended by the Government Finance Officers Association ("GFOA"). GFOA has awarded the City's 2014 budget its "Distinguished Budget Presentation," the 22nd year the City has received this award. The 2015 budget has been submitted to GFOA. The annual and long-range budgeting process is shaped and guided by the four key foundation documents included in the annual budget document:

1. The annual operating budget
2. The 10-year capital plan
3. The 5-Year Forecast
4. The Financial Plan and Financial Policies

The annual budget document for Fiscal Year 2015 and the past few fiscal years are located at http://www.glendaleaz.com/budget.

Prior to Fiscal Year 2014, the budget process involved an approach where each department received target allocations. The responsible department would then be given a "base budget target allocation", and when additional funding was available, supplemental requests were then made for increases in services or the addition of new services. Supplemental requests were not considered starting with the Fiscal Year 2010 budget and continuing through the development of the Fiscal Year 2014 budget. Fiscal Year 2015 was the first year the City utilized a "zero-based" budget approach. Additionally, the budget was developed around the Five-Year Financial Forecast and was presented to Council on December 17, 2013. A zero-based approach means departments requested and justified all Fiscal Year

2015 appropriated funds and did not receive "base budget target allocations" at the beginning of the budget process. The intent of the Five-Year Financial Forecast was to set the stage for the Fiscal Year 2015 budget process with an emphasis on future financial planning and stability.

The proposed budget is typically presented to City Council in March and April for the upcoming fiscal year, with an emphasis on the City's largest operating fund, the General Fund, along with the proposed capital improvement plan. The state-defined budget adoption process occurs in May and June following public hearings on the City Manager's proposed budget. This process results in City Council's formal adoption of the City's total budget for the upcoming fiscal year.

City budgeting for a fiscal year formally begins with the preparation of the budget. It is subsequently adopted, after a public hearing, by July 1 for the fiscal year. The budget must contain the information indicated above and a tax levy is made in accordance with state law. Additionally, the City has a formal Debt Management Plan and a 10 year capital improvement plan which are also incorporated in the budget process.

Capital Improvement Plan

Glendale's Capital Improvement Plan (the "Capital Plan") is a ten-year road map for creating, maintaining and rehabilitating Glendale's present and future infrastructure needs. The Capital Plan also represents a funding plan for capital expenditures. The Capital Plan is designed to ensure that capital improvements will be made when and where they are needed, and that the City will have the funds to pay for such improvements.

In conjunction with the annual budgeting process, the Financial Services Department coordinates the city-wide process of revising and updating the Capital Plan.

The City Council reviews all of the existing and proposed projects, considers citizen and City boards and commissions requests and evaluates management, financial and planning staff recommendations before making the final decision about which projects should be included in the annual Capital Plan and how those projects should be integrated into the City's annual budgeting process.

Financial Reports and Examination of Accounts

Annually, independent certified public accountants audit the financial records as required by state law and the Charter. See Appendix [__] – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR FISCAL YEAR ENDED JUNE 30, 2014" for the financial statements from the City's June 30, 2014, Comprehensive Annual Financial Report. The City received a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its 2014 Comprehensive Annual Financial Report as well as in each of the [29] preceding years.

RECENT BUDGET AND FINANCIAL DEVELOPMENTS

General Fund

On June 12, 2012, the Glendale City Council approved a 0.7% increase in the City's transaction privilege tax ("TPT") rate. This increase, which was implemented on August 1, 2012, was due to expire on July 31, 2017. During the Fiscal Year 2015 budget process, there was significant planning centered on the detailed five-year financial forecast, and on June 24, 2014, the termination date (or "sunset" provision) was eliminated, effectively making the 0.7% increase permanent. The General Fund Activity table below overviews the General Fund financial results beginning with the Fiscal Year 2009 through Fiscal Year 2014 (unaudited).

At June 30, 2014, the ending General Fund fund balance was a deficit $2.1 million. However, at the June 30, 2014 City cash and investments totaled $40.1 million for the General Fund. The primary reasons for the difference between the $40.1 million cash and investments balance and the $2.1 million deficit fund balance is: a) the advance from other funds to the General Fund totaling $39.5 million payable through Fiscal Year 2037 and b) the $5.0 million contract payable to the National Hockey League payable in Fiscal Year 2017.

Table 7
City of Glendale, Arizona
General Fund Activity
(000's omitted)

Fiscal Year:	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**[1]
Revenues:						
Taxes & Assessments	$58,761	$57,537	$59,435	$60,852	$87,849	$96,943
Licenses & Permits	9,006	8,641	8,547	9,172	9,598	9,833
Intergovernmental	64,710	58,490	50,644	44,780	50,040	54,005
Charges for Services	7,133	5,658	8,264	9,236	10,797	13,642
Other	7,614	7,463	19,815	11,613	6,143	7,167
Total	147,224	137,789	146,705	135,653	164,427	181,590
Expenditures:						
General Government	23,867	21,457	19,467	17,696	15,785	29,445
Public Safety	83,110	77,667	73,716	74,509	81,639	85,029
Public Works	10,944	11,472	8,708	7,635	7,822	7,444
Community Services	26,854	22,600	20,217	19,209	15,371	13,438
Debt	2,905	2,433	2,245	1,626	2,815	1,508
Capital Outlay	5,782	2,717	3,005	2,983	699	2,712
Other	2,830	2,496	1,814	2,362	3,196	2,096
Total	156,292	140,842	129,172	126,020	127,327	142,116
Other Fin. Sources/(Uses):						
Net Transfers	(4,979)	(11,244)	(20,746)	(21,267)	(22,895)	(30,878)
NHL Owners Fee	0	0	(25,000)	(25,000)	0	0
Other	289	513	450	650	643	480
Total	(4,690)	(10,731)	(45,296)	(45,617)	(22,252)	(30,398)
Beginning Balance (July 1)	66,388	52,630	39,433[2]	9,335[3]	(26,649)	(11,801)
Net Change in Fund Balance	(13,758)	(13,784)	(27,763)	(35,984)	14,848	9,076
Ending Balance (June 30)	$52,630	$38,846	$11,670	($26,649)	($11,801)	($2,725)
Unassigned Fund Balance	$29,410	$22,626	($5,414)	($29,565)	($14,438)	($5,129)

[1] Unaudited. The City's Audited Financial Statements are expected to be available in December 2014.

[2] Restated fund types revised balance June 30, 2010 pursuant to Governmental Accounting Standards Board Statement No. 54.

[3] Restated due to reassignment to the General Fund of a contractual payment by the City of approximately $2.3 million which had initially been charged against the City's Risk Management Fund.

The General Fund, fund balance was reduced in excess of $90 million over the four year period from Fiscal Year 2009 through Fiscal Year 2012. Fiscal Year 2013 saw the first year of a net increase to the fund balance but did not include the impacts of a newly negotiated Arena Management Agreement, a net General Fund impact of approximately $8.5 million, or debt service related to the Camelback Ranch Spring Training Facility, a General Fund impact of approximately $11.1 million.

The Fiscal Year 2014 adopted General Fund budget anticipated a planned spend-down of $14.3 million in fund balance and was the first fiscal year in which the General Fund fully funded the impacts of the Arena Management Agreement and debt service costs related to the Camelback Ranch Spring Training Facility. Despite these financial events, the Fiscal Year 2014 actual results (unaudited) indicate the General Fund fund balance increased by $9.1 million as illustrated in the General Fund Activity table above.

The growth of taxes and assessments revenue beginning in Fiscal Year 2013 is attributed primarily to the 0.7% increase in the TPT rate, effective August 1, 2012. After factoring out the partial-year impact of the 0.7% increase, the actual TPT revenue increased by approximately 5% in Fiscal Year 2014 from Fiscal Year 2013.

The second largest revenue category in the General Fund is intergovernmental revenue. This consists primarily of State-Shared Sales Tax, State-Shared Income Tax, and State-Shared Motor Vehicle In-Lieu Tax. In Fiscal Year 2009, a decline in revenues started and continued for three consecutive years. Beginning in Fiscal Year 2013, and continuing in Fiscal Year 2014, intergovernmental revenue increased by 11.7% and 7.9%, respectively. The distribution of State-Shared Sales and Income Tax revenue is based upon the relation of the City's population to the total State population while the distribution of Motor Vehicle In-Lieu revenue is based on the City's population in relation to the total incorporated population of Maricopa County.

Overall, General Fund expenditures reduced from $156.3 million in Fiscal Year 2009 to $126.0 million in Fiscal Year 2012, a reduction of 19.3%. The growth in Fiscal Year 2014 expenditures is due primarily to the Arena Management agreement, totaling approximately $14.0 million. Net transfers increased by approximately $8.0 million. This is due primarily to the increase in debt service costs for the Camelback Ranch Spring Training Facility.

The General Fund is made up of one primary fund and multiple General Fund Sub-Funds. The primary General Fund supports the Sub-Funds. The Fiscal Year 2015 General Fund budget process began with a detailed five-year financial forecast presented in December 2013 and had an estimated fund balance reduction of $17.2 million for Fiscal Year 2015 in the primary fund. In order to address this estimated deficit, the City adopted a "zero-based" budget approach. Through several months of City Council Budget Workshops, the actual adopted Fiscal Year 2015 budget reduced this deficit to $2.1 million. This equals the one-time budget impact of Super Bowl XLIX.

Other Operating Funds

The other major operating funds include the Highway User Revenue Fund (HURF), Transportation, Police, and Fire Special Revenue Funds and the Water and Sewer, Sanitation, and Landfill Enterprise Funds (collectively, the "Other Enterprise Funds"). Similar to the General Fund, five-year financial forecasts were presented in February 2014 for the other operating funds in preparation for the Fiscal Year 2015 budget process. These forecasts included revised Fiscal Year 2014 estimates. Preliminary Fiscal Year 2014 actual results were compared to these revised estimates and presented to Council in October 2014. The actual Fiscal Year 2014 operating results outperformed the estimated results in each of these funds.

Going forward, the financial planning for the Other Operating Funds include analyses of compliance with bond covenants for existing debt supported from these funds. In particular, rate reviews are planned in Fiscal Year 2015 for the enterprise funds.

Phoenix Coyotes NHL Hockey Team; Management of City-Owned Arena

The Coyotes of the National Hockey League (NHL) is the anchor tenant in the Arena. The NHL acquired the Coyotes assets in 2009 after the prior owner filed for bankruptcy and the City entered into an agreement with an NHL affiliate to manage the Arena. Pursuant to agreements between the City and the NHL, the Coyotes continued to use the Arena as its home-game venue during the 2010-11, 2011-12, and 2012-13 seasons, but home games in the Arena during

the 2012-13 season were interrupted by a labor dispute. The City agreed to pay the NHL a total of $50 million to manage the Arena. The first $25 million payment was made in Fiscal Year 2011. The second $25 million was expensed in Fiscal Year 2012. The City made a cash payment of $20 million into an escrow account for the NHL to drawn down for equal installments from Fiscal Year 2013 through Fiscal Year 2016. The final planned $5 million payment is to be paid from the General Fund appropriations in Fiscal Year 2017. A total of $45 million was financed through inter-fund advances, as overviewed below.

On July 2, 2013, an Arena Management Agreement with IceArizona was approved by Council with an effective date of August 5, 2013. This fifteen-year agreement pays IceArizona a total management fee of $15 million per year. Additionally, the agreement states the City will make capital improvement contributions of $500,000 per year through Fiscal Year 2019 growing to $1.0 million per year through Fiscal Year 2027. The management fees and capital improvement contributions are offset by a share of revenues generated at the Arena. The Fiscal Year 2014 (a partial fiscal year) net General Fund impact totaled $8.5 million (management fees and capital improvement contributions offset by agreement revenues). The Fiscal Year 2015 budgeted net General Fund impact, the first full fiscal year under the agreement, is budgeted at $8.6 million.

Although this is a fifteen year agreement, there is an early termination provision that states if cumulative losses exceed $50 million over the first five years, the team owner and manager have the right to terminate the agreement. If the agreement is terminated prior to the first five years, the City has the right to $45 million less cumulative arena revenues received prior to the date terminated under the agreement.

Inter-Fund Advances

A total of $45 million in inter-fund advances were made to the General Fund in Fiscal Years 2011 and 2012. $40 million in inter-fund advances were from enterprise funds and $5 million were from General Fund Sub-Funds. As the General Fund Sub-Funds are combined with the primary General Fund, these $5 million advances are not part of the General Fund liability.

As of June 30, 2014, the total General Fund liability for the $40 million inter-fund advance (often referred to as inter-fund loans) totals $39.5 million. These outstanding amounts are from the Water & Sewer, Sanitation, and Landfill enterprise funds. The terms of these advances (repayment amount, interest rate, repayment term, etc.) are set by Council and can be changed by Council. The advances from the enterprise funds are payable through Fiscal Year 2037.

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PROPERTY TAXES

Ad Valorem Taxes

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State's property tax system. Beginning in tax year 2015 (for operations beginning in the City's fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the taxable value of property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that are regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

The information which follows under the heading "Ad Valorem Taxes" summarizes the assessment, levy and collection process as it currently exists.

General

For tax purposes in Arizona, real property is either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, "limited property value" and "full cash value," only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. For tax year 2015 and subsequent tax years, the limited property value of real property and improvements, including mobile homes, used for all ad valorem property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was the limited property value, and for the secondary ad valorem tax purposes it was the full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value were not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In general, the Assessor of the County uses a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
Property Tax Assessment Ratios (a)
Fiscal Years 2010-11 through 2014-15

	Assessment as Percentage of Full Cash Value				
Property Classification (b)	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Mining, Utility, Commercial and Industrial (c)(d)	21.0%	20.0%	20.0%	19.5%	19.0%
Agriculture and Vacant Land (c)	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private car Company and Airline Flight Property (e)	17.0%	15.0%	15.0%	15.0%	15.0%

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2014, full cash values up to $141,385 on commercial, industrial and agricultural personal property are exempt from taxation. For tax year 2013, full cash values up to $133,868 on commercial, industrial and agricultural personal property were exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18.5% for tax year 2015 and further reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that these tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what

adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the City, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Property Valuations

The following table lists various property valuations for the City for the current fiscal year.

Valuations for 2014-15 Fiscal Year

Estimated Actual Valuation (a)	$9,500,554,715
Net Secondary Assessed Valuation	1,148,164,650
Net Primary Assessed Valuation	1,095,616,087

(a) Calculated value of actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparisons and Trends

The information set forth below is shown to indicate the ratio between secondary assessed values and estimated actual values for the City, as well as changes in the net secondary assessed valuations of the City and overlapping municipality units on a comparative basis. The basis of property assessment for these years is shown under "Ad Valorem Taxes - Tax Procedures."

City of Glendale
Net Secondary Assessed Value and Estimated
Actual Full Cash Value Comparisons (a)

Fiscal Year	Net Secondary Assessed Valuation	Estimated Actual Valuation (b)	Net Secondary Assessed Valuation as a Percentage of the Estimated Actual Valuation
2014-15	$1,148,164,650	$9,500,554,715	12.09%
2013-14	1,050,893,890	8,460,156,933	12.42%
2012-13	1,149,264,817	9,079,552,277	12.66%
2011-12	1,313,557,625	10,332,582,284	12.71%
2010-11	1,753,569,411	13,531,334,149	12.96%

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(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.
(b) Actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparison (a)

Fiscal Year	City of Glendale	Percent Change	Maricopa County	Percent Change	State of Arizona	Percent Change
2014-15	$1,148,164,650	9.26%	$35,079,646,593	8.84%	$55,352,051,074	5.24%
2013-14	1,050,893,890	(8.56%)	32,229,006,810	(6.31%)	52,594,377,492	(6.54%)
2012-13	1,149,264,817	(12.51%)	34,400,455,716	(11.25%)	56,271,814,583	(8.80%)
2011-12	1,313,557,625	(25.09%)	38,760,296,714	(22.02%)	61,700,292,915	(18.43%)
2010-11	1,753,569,411	(17.71%)	49,707,952,123	(14.35%)	75,643,290,656	(12.59%)

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(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

Net Secondary Assessed Valuation by Property Classification

The following table shows a breakdown of the secondary assessed valuation by property classification for the City for the last five years:

	Property Classification	Net Secondary Assessed Valuation (a) 2011	2012	2013	2014	2015
1	Mining, Utilities, Commercial	$705,183,990	$523,112,818	$457,931,612	$399,921,841	$388,607,342
2	Agricultural & Vacant	82,019,663	51,691,663	34,511,646	29,886,641	38,792,733
3	Owner Occupied	752,539,243	570,472,083	508,535,638	452,907,081	515,232,088
4	Rented Residential, Residential Common Areas	207,240,186	161,780,917	141,682,436	162,535,615	200,044,976
5	Railroad, Private Car Companies, Flight Properties	4,353,016	4,054,796	4,178,098	3,346,730	3,629,388
6	Noncommercial Historic, Foreign Trade Zones	2,233,313	2,441,900	2,422,240	2,293,330	1,855,942
7	Commercial Historic	0	0	0	0	0
8	Residential Historic	0	0	0	0	0
9	Improvements on federal, state, county or municipal property	0	3,447	3,145	2,650	2,179
		$1,753,569,411	$1,313,557,625	$1,149,264,817	$1,050,893,890	$1,148,164,650

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: State of Arizona, Department of Revenue.

Estimated Net Secondary Assessed Valuations of Top Ten Taxpayers (a)

Shown below are the top ten property taxpayers located within the City, an estimate of their 2014-15 net secondary assessed value and their relative proportion of the City's net secondary assessed value.

Taxpayer	Type of Property	2014-15 Net Secondary Assessed Valuation	As % of City's Total Secondary Assessed Valuation
Arizona Public Service Company	Electric Utility	$17,899,515	1.56%
VHS of Arrowhead Inc.	Health Care	11,534,968	1.00
Arrowhead Towne Center LLC	Shopping Center	9,624,526	0.84
Thunderbird School of Global Management	Education	7,588,400	0.66
Wal-Mart Stores Inc.	Retail	7,180,160	0.63
Qwest Corporation	Telecommunications	6,421,764	0.56
New Westgate LLC	Office Buildings	6,079,476	0.53
JQH-Glendale AZ Development LLC	Hotel	5,700,000	0.50
Southwest Gas Corporation (T&D)	Gas Utility	4,852,106	0.42
Stadium Development LLC	Developer	4,436,709	0.39
	TOTAL	$81,317,624	7.08%

(a) Some of these taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY

10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, the Financial Advisor, Bond Counsel, Underwriter's Counsel, or the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Special Note: The Salt River Project Agricultural Improvement and Power District assessed valuation is not reflected in the total assessed valuation of the City of Glendale. The Project is subject to a "voluntary contribution" in lieu of ad valorem taxation.

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Source: Maricopa County Treasurer's Office and Assessor's Office and the City of Glendale.

Record of Real and Secured Property Taxes Levied and Collected

Property taxes are levied and collected on all taxable property within the City and are certified by the Treasurer of the County. The following table sets forth the City's real and secured personal property tax collected year-to-date for the current fiscal year and for the past five full fiscal years.

		Collected to June 30 End of Tax Fiscal Year (a)		Total Collections (b)	
Fiscal Year	Tax Levy(c)	Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2014-15	$24,429,111	(d)	(d)	$2,892,515	11.84%
2013-14	23,942,746	$23,490,204	98.11%	23,620,453	98.65%
2012-13	21,840,578	21,295,512	97.50%	21,523,328	98.55%
2011-12	20,787,346	20,089,536	96.64%	20,466,925	98.46%
2010-11	27,534,316	26,469,260	96.13%	26,944,122	97.86%
2009-10	33,616,837	32,259,666	95.96%	33,130,255	98.55%

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(a) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates unless the full year tax is paid by December 31. Penalties for delinquent payments are not included in the above collections figures. See "PROPERTY TAXES - Tax Procedures" herein.

(b) Reflects collections made through October 24, 2014, against current and prior levies.

(c) Tax levy amount shown is based on the original levy set by the County and does not reflect adjustments.

(d) In the process of collection.

Source: Maricopa County Treasurer's Office.

Tax Rate Data

The tax rates provided below reflect the total property tax rate levied by the City. As such, the rates are the sum of the tax rate for debt service payments, which is levied against the City's secondary assessed value, and the tax rate for all other purposes, which is levied against the primary assessed value within the City.

Fiscal Year	City's Primary Tax Rate Per $100 Assessed	City's Secondary Tax Rate Per $100 Assessed	City's Total Tax Rate Per $100 Assessed
2014-15	$0.4896	$1.6605	$2.1501
2013-14	0.4974	1.7915	2.2889
2012-13	0.2252	1.6753	1.9005
2011-12	0.2252	1.3699	1.5951
2010-11	0.2252	1.3699	1.5951

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

Debt Limitation

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a city's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's net secondary assessed valuation. In the following computation of the City's borrowing capacity, general obligation bonds that are to be supported from enterprise funds are included in the appropriate category.

Water, Sewer, Light, Parks and Open Space, Transportation and Public Safety Purpose Bonds		All Other General Obligation Bonds	
20% Constitutional Limitation	$229,632,930	6% Constitutional Limitation	$68,889,879
Direct General Obligation Bonds Outstanding (a)	144,930,000	Direct General Obligation Bonds Outstanding (a)	2,880,000
Unused 20% Limitation Borrowing Capacity	$84,702,930	Unused 6% Limitation Borrowing Capacity	$66,009,879

(a) The Direct General Obligation Bonds Outstanding reflects the defeasance of the Bonds Being Refunded and the issuance of the Bonds. Excludes debt service fund balances.

Outstanding Bonded Indebtedness

The following table lists the outstanding General Obligation Bonds for the City.

Direct General Obligation Bonded Debt[2]

Purpose	Year Issued	Original Amount	Outstanding Portion Subject to 6% Limit	Outstanding Portion Subject to 20% Limit	Total Principal Outstanding
Various Purpose G.O. Bonds	2003	$66,400,000	None	$4,335,000	$4,335,000
Various Purpose G.O. Bonds	2004	36,645,000	None	14,615,000	14,615,000
Various Purpose G.O. Bonds	2005	11,960,000	$1,395,000	None	1,395,000
Various Purpose G.O. Bonds	2006	29,365,000	335,000	15,650,000	15,985,000
Refunding Bonds	2006	9,065,000	None	2,010,000	2,010,000
Various Purpose G.O. Bonds	2007	61,000,000	None	37,155,000	37,155,000
Various Purpose G.O. Bonds	2009	41,650,000	1,150,000	35,340,000	36,490,000
Refunding Bonds	2010	38,300,000	None	35,825,000	35,825,000
Total Direct General Obligation Bonded Debt			$2,880,000	$144,930,000	$147,810,000
Net General Obligation Bonded Debt					$147,810,000

Outstanding Water and Sewer Revenue Bonded Debt

The following table lists the outstanding Water and Sewer Revenue Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Water and Sewer Obligations	2006	$80,000,000	$65,285,000
Water and Sewer Obligations	2007	44,500,000	35,305,000
Water and Sewer Obligations	2008	65,500,000	50,930,000
Water and Sewer Obligations	2010	25,685,000	25,685,000
Water and Sewer Obligations	2012	77,635,000	75,910,000
Total Water and Sewer Revenue Bonded Debt			$253,115,000

Outstanding Street and Highway User Revenue Bonded Debt

The following table lists the outstanding Street and Highway Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Street & Highway User Revenue Bonds	2006	$15,745,000	$3,700,000
Total Street and Highway User Revenue Bonded Debt			$3,700,000

Outstanding Transportation Excise Tax Revenue Bonded Debt

The following table lists the outstanding Transportation Excise Tax Revenue Obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Transportation Excise Tax Revenue Obligations	2007	$109,110,000	$88,015,000
Total Transportation Excise Tax Revenue Bonded Debt			$88,015,000

Outstanding Excise Tax Revenue Bonded Debt

The following table lists the outstanding Excise Tax debt obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Senior Lien Excise Tax Bonds			
Senior Lien Bonds (Taxable Series 2003B)	2003	$105,260,000	$94,620,000
Senior Lien Bonds (Series 2006A)	2006	33,250,000	24,145,000
Senior Lien Bonds (Series 2008A)	2008	32,315,000	32,220,000
Senior Lien Bonds (Series 2008B)	2008	52,780,000	48,835,000
Senior Lien Bonds (Taxable Series 2008C)	2008	9,140,000	1,000,000
Senior Lien Bonds (Series 2012A)	2012	8,665,000	8,665,000
Senior Lien Refunding Bonds (Series 2012B)	2012	39,620,000	39,620,000
Total Senior Lien Excise Tax Bonds			*$249,105,000*
Subordinate Lien Excise Tax Bonds			
Subordinate Lien Refunding Bonds (Series 2002B)	2002	5,055,000	5,055,000
Subordinate Lien Refunding Bonds (Series 2003D)	2003	7,250,000	7,250,000
Subordinate Lien Refunding Bonds (Series 2012C)	2012	183,405,000	183,405,000
Subordinate Lien Refunding Bonds (Taxable Series 2012D)	2012	16,850,000	14,770,000
Total Subordinate Lien Excise Tax Bonds			*$210,480,000*
		Total Other Excise Tax Revenue Bonded Debt	$459,585,000

[1] Does not include debt paid from Unrestricted Excise Taxes.

[2] The City has voter authorization to issue up to $362,839,000 of general obligation bonds as of June 30, 2014. The City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied. [Confirm: The City does not expect that any sequester of federal subsidies resulting from the Budget Control Act of 2011 with respect to Build America Bonds would have a material adverse effect on its ability to pay general obligation bond debt service.]

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Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding (a)

The following table lists the annual debt service requirements of the City's outstanding general obligation debt.

Fiscal Year Ending	Outstanding General Obligation Debt Service Requirements		Direct Payments (b)	Plus: The Bonds		Less: Enterprise Supported Debt*(d)	Non-Enterprise General Obligation Requirements*(e)
	Principal	Interest		Principal*	Interest (c)		
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							

(a) Rows may not add due to rounding.

(b) Reflects payments anticipated to be received by the City from the United States Treasury (the "Direct Payments") in association with the Series 2010B Bonds. These bonds were issued as "Build America Bonds," for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government, subject to any reductions in such amounts made by the federal government. In fiscal year 2012-13 and each subsequent fiscal year to date, the federal government has reduced the subsidy payments to the interest payments and it is expected that such reductions will continue in the current and future years until altered by the federal government.

(c) The first interest payment date is July 1, 2015*. Interest is estimated.

(d) Represents general obligation bonds for which the debt service is currently paid, and is anticipated to continue to be paid, from various enterprise fund revenues of the City.

(e) Does not reflect amounts held in reserve in the City's Debt Service Fund. As of August 31, 2014, such amounts were [$30.3 million (unaudited)].

* Preliminary, subject to change.

Net Direct and Overlapping General Obligation Bonded Debt

Overlapping bonded debt figures were compiled from information obtained from the County Treasurer's office and individual jurisdictions. A breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, net secondary assessed valuation and combined tax rate per $100 assessed valuation follows. Outstanding bonded debt is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale.

The applicable percentage of each jurisdiction's assessed valuation which lies within the City's boundaries (see the "Approximate Percent" column below) was derived from information obtained from the County Assessor's Office.

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to City of Glendale		2014-15 Combined Tax Rate Per $100 Assessed (b)
			Approx. Percent	Amount	
State of Arizona (c)	$52,594,377,492	None	2.88%	None	$0.5123(d)
Maricopa County	35,079,646,593	None	4.64%	None	1.5157(e)
Maricopa Community College District	35,079,646,593	$654,190,000	4.64%	$30,354,888	1.5187
Western Maricopa Education Center (West-Mec)	13,001,468,671	59,045,000	8.45%	4,987,292	0.0810
Washington Elementary School District No. 6	1,142,089,326	67,475,000	2.67%	1,800,228	5.7015
Glendale Elementary School District No. 40	261,008,520	21,040,000	99.13%	20,856,074	6.4671
Alhambra Elementary School District No. 68	272,908,842	80,000	18.29%	14,636	7.0020
Litchfield Elementary School District No. 79	652,775,053	30,000,000	0.11%	32,157	3.7780
Pendergast Elementary School District No. 92	271,309,761	27,130,000	24.23%	6,574,163	7.1900
Peoria Unified School District No. 11	1,471,213,352	220,825,000	20.50%	45,278,209	7.2708
Dysart Unified School District No. 89	1,131,758,071	167,605,000	0.06%	108,299	7.1239
Deer Valley Unified School District No. 97	2,202,994,012	190,775,000	19.98%	38,116,084	6.4789
Glendale Union High School District No. 205	1,403,097,846	109,690,000	20.61%	22,608,613	4.4189
Phoenix Union High School District No. 210	4,372,062,126	295,670,000	1.14%	3,376,426	4.6196
Tolleson Union High School District No. 214	945,905,222	43,300,000	6.95%	3,009,514	4.5348
Agua Fria Union High School District No. 216	975,254,176	48,970,000	0.07%	35,134	4.2005
City of Glendale (f)	**1,148,164,650**	**147,810,000**	**100.00%**	**147,810,000**	**2.1501**
Total Net Direct and Overlapping General Obligation Bonded Debt				**$309,364,891***	$74.9056

(a) Includes general obligation bonds outstanding less general obligation bonds supported from enterprise revenues. Does not include the Salt River Project Agricultural Improvement and Power District general obligation bonded debt. Such debt has been refunded in advance of maturity and is secured for payment by government securities held in an irrevocable trust.

* Preliminary, subject to change.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% is interest bearing and the remaining 27% is non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of secondary assessed valuation, of which fourteen cents is being currently levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

The following table lists general obligation bonds that are authorized, but unissued, for each of the overlapping jurisdictions.

Jurisdiction	Authorized But Unissued General Obligation Bonds
City of Glendale	$362,839,000
Western Maricopa Education Center (West-Mec)	14,900,000
Washington Elementary School District No. 6	35,000,000
Glendale Elementary School District No. 40	9,200,000
Litchfield Elementary School District No. 79	9,675,000
Pendergast Elementary School District No. 92	8,510,000
Peoria Unified School District No. 11	108,800,000
Dysart Unified School District No. 89	67,960,000
Deer Valley Unified School District No. 97	158,315,000
Glendale Union High School District No. 205	8,435,000
Phoenix Union High School District No. 210	105,000,000
Agua Fria Union High School District No. 216	9,300,000

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity and the tax rate for all other purposes such as maintenance and operation and capital outlay which is based on the primary assessed valuation of the entity.

(c) Net secondary assessed valuation and combined tax rates for the State of Arizona are for fiscal year 2013-14, as such data is not currently available for fiscal year 2014-15.

(d) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2013-14 has been set at $0.5123 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276. The monies received from this tax are distributed to school districts in the State.

(e) The tax rate includes the $1.3209 county tax rate, the $0.1392 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the Maricopa County Free Library District. It should be noted that the County Flood Control District does not levy taxes on real property.

(f) Includes outstanding general obligation debt as of October 1, 2014; does not include certain outstanding City Revenue Bonds and Obligation previously issued by the City and payable from revenue sources other than property taxes.

Net Direct and Overlapping General Obligation Bonded Debt Ratios

The City's direct and overlapping general obligation bonded debt is shown below on a per capita basis and as a percent of the City's net secondary assessed value and estimated actual value.

	Per Capita Net Debt (Pop. @ 231,109 (a))	As Percent of City's 2014-15 Net Secondary Assessed Valuation ($1,148,164,650)	As Percent of City's 2014-15 Estimated Actual Valuation ($9,500,554,715)
Net Direct General Obligation Bonded Debt ($147,810,000*) (b)	$2,243.97	12.87%	1.56%
Net Direct and Overlapping General Obligation Bonded Debt ($309,364,891*) (c)	$4,696.60	26.94%	3.26%

(a) The population count is provided by the City of Glendale Planning Department. See "POPULATION STATISTICS" table on page A-1.

(b) Excludes approximately [$6,485,000] of general obligation bonds paid, or to be paid, by revenues derived from the City's Water and Sewer Fund.

(c) Overlapping debt from "DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT" table on page A-15.

Source: City of Glendale, Maricopa County Treasurer's Office

OTHER INDEBTEDNESS AND OBLIGATIONS

Lease Purchase Financing

The City has entered into lease-purchase agreements for the acquisition of vehicles, landfill equipment, computer equipment and other equipment. These agreements are renewable annually at the option of the City, with payments due thereunder to be annually budgeted and encumbered in the City's General Fund, or in the case of certain sanitation equipment, in the Sanitation Enterprise Fund. Assuming that these agreements are not terminated or prepaid, the City's annual budget requirements to service these agreements would be as follows:

Lease-Purchase Agreements
City of Glendale, Arizona
(Thousands)

Fiscal Year	Annual Capital Lease Requirements
2015	$1,803,454
2016	3,358,809
2017	3,307,215
2018	3,307,115
2019	1,178
Total Minimum Lease Payments	11,777,771
Less: Amount Representing Interest	(1,417,061)
Present Value of Net Minimum Lease Payments	$10,360,710

Source: City of Glendale Finance Department.

As illustrated in [Note X.I] in Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", the City has other obligations in the amount of $_____ outstanding as of June 30, 2014.

* Preliminary, subject to change.

PENSION AND RETIREMENT PLANS

Employee Retirement Systems and Pension Plans and Other Post-Employment Benefits

The City contributes to three separate defined benefit pension plans for the benefit of all full-time employees and elected officials, two of the plans are described fully below. **Please refer to ["Note XVII"] of Appendix [__] hereto for a more detailed description of these plans and the City contributions to the various plans**.

The Arizona State Retirement System ("ASRS"), a cost-sharing, multiple employer defined benefit plan, has reported increases in its unfunded liabilities. The most recent annual reports for the ASRS may be accessed at: https://www.azasrs.gov/content/annualreports. The increase in ASRS' unfunded liabilities is expected to result in increased future annual contribution to ASRS by the City and its employees.

For the year ended June 30, 2014, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 11.54% (10.70% for retirement, 0.60% for health insurance premiums, and 0.24% long-term disability) of the members' annual covered payroll. The ASRS ACR rate was 9.20%. The City's employer contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were $6,307, $6,346, and $6,876, respectively, which were equal to the required contributions for the year. The City's employee contributions to ASRS were equal to the employers required contributions.

Additionally, other enacted State legislation made changes to how ASRS operates, effective July 1, 2011, which includes requiring employers to pay an alternative contribution rate for retired employees of ASRS that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a Defined Contribution and Retirement Study Committee (as defined in the legislation) that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.]

The Arizona Public Safety Personnel Retirement System ("PSPRS"), an agent multiple-employer defined benefit plan that covers public safety personnel who are regularly assigned to hazardous duties, for which the Arizona State Legislature establishes and may amend active plan members' contribution rate, has reported increases in its unfunded liabilities. The most recent annual reports for the PSPRS may be accessed at http://www.psprs.com/sys_psprs/AnnualReports/cato_annual_rpts_psprs.htm. The increase in the PSPRS's unfunded liabilities is expected to result in increased future annual contributions to PSPRS by the City and its employees, however the specific impact on the City, or on the City's and its employees' future annual contributions to the PSPRS, cannot be determined at this time.

For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 24.54% for fire and 27.98% for police, the aggregate of which is the actuarially required amount. The PSPRS ACR rates for both Fire and Police were 17.07%. The health insurance premium portion of the contribution for fire and police members was computed as $125 and $280 for the year ended June 30, 2013, respectively.

New Reporting Requirements. Governmental Accounting Standards Board ("GASB") Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, improves financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement requires the use of carrying values to measure the assets and liabilities in a government merger and requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition

values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged.

GASB Statement No. 70, Accounting and Reporting for Nonexchange Financial Guarantees, improves financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. In addition, this statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

Other Post-Employment Benefits

In fiscal year 2007-08, the City implemented GASB Statement No. 45, Accounting by Employers for Post-Employment Benefits Other than Pensions ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. Plan benefits covered by GASB 45 must be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, the reporting of such costs as a financial statement liability.

Other than the retirement plans, the City is not required to provide post-employment benefits. However, the City does allow all of its retired employees to participate in the health care and life insurance plan provided to active employees, and at the same rates, except that beginning June 30, 2014 the City no longer pays any portion of the retiree or their family member's premiums. Active employees' rates are subsidized by the City as their employer. The City engaged an actuary to perform calculations of the City's liability with respect to other post-employment benefits. In its report dated September 22 2014, the actuary determined that the City's liability for other post-employment benefits that Governmental Accounting Standards Board Statement 45 requires the City to include in its comprehensive annual financial statement balance sheet was approximately $65.8 million at June 30, 2014, which includes amortization of the unfunded $69.5 million actuarial liability over 30 years.

OTHER FINANCIAL MATTERS

Insurance

In January 1987, the City Council established a risk management fund for torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster. The City's risk management fund purchases commercial insurance for property, aviation, Inland Marine, errors and omissions, boiler and machinery, special events and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with $1 million of self-insurance retention for claims incurred on or after July 1, 1998.

Funds receiving insurance coverage pay monthly premiums to the risk management fund based upon an actuarial review. Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of $500 for each workers' compensation claim and purchases commercial insurance for claims in excess of $500. Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon a budget model taking into consideration prior loss experience, staffing level, and the National Council on Compensation insurance workers' compensation manual rates. Premium payments to insurance carriers are made directly from the workers' compensation fund. There have been no settlements paid in excess of insurance in any of the past three years. See Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", Note VII.B for further information.

In the fall of 2012, the internal auditor of the city performed an audit on the Risk Management and Workers Compensation trust funds. The audit noted some payments out of the trust funds that may not have been appropriate uses of the trust funds. The City Manager met with City Council to detail all findings in the audit in December, 2012. Subsequently, management addressed all of the audit findings and presented those results to the Council in two meetings, November 19, 2013 and June 4, 2014. Currently, the Risk Management and Workers Compensation Funds are above the 55% confidence level.

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2014

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT

The following statements are summaries of certain definitions and provisions of the Trust Agreement and the Purchase Agreement, as amended by the Trust Agreement. Some of these provisions, together with certain other provisions thereof, have been summarized elsewhere in the Official Statement. All such summaries are qualified in their entirety by reference to the full text of such documents and reference is made to such documents for a full and complete statement of their provisions.

DEFINITIONS

"Additional Senior Obligations" mean any obligations issued on a parity with the Senior Obligations with respect to the Net Revenues pursuant to the provisions of the Trust Agreement

"Annual Debt Service Requirements" means the Principal Requirement and interest thereon in any Fiscal Year.

"Assumed Amortization Period" means with respect to any obligations either (i) 25 years or (ii) such lesser period that a Consultant certifies is reasonable in a written statement delivered to the Chief Financial Officer of the City.

"Assumed Interest Rate" means (i) with respect to outstanding variable rate obligations, 125% of the interest rate in effect on the date of determination, (ii) with respect to variable rate obligations not yet issued, 125% of the rate to be in effect on the date of issuance of the obligations, or (iii) with respect to obligations not described in (i) or (ii), the rate set forth in an opinion of a Consultant as the rate that similar obligations would bear on a level debt service basis over an Assumed Amortization Period if offered on the last day of the calendar month prior to the date of determination.

"Authorized City Representative" means the City Manager or Chief Financial Officer or any other person authorized by the City Manager or the Council of the City to act on behalf of the City.

"Bond Year" means the Fiscal Year.

"Business Day" means a day, other than Saturday or Sunday or federal holiday, on which banks located in the City of Glendale and in the city or cities in which the Designated Office of the Trustee or Paying Agent are all open for business during normal business hours.

"City" means the City of Glendale, Arizona, a municipal corporation and a political subdivision of the State of Arizona.

"Compound Interest Bonds" means bonds or obligations which for a stated period of time bear interest, which interest is calculated based on regular compounding, payable only (i) at maturity or earlier redemption or (ii) on a specified date from and after which date, such bonds or obligations bear interest payable on a regularly scheduled basis. Bonds or obligations described in clause (ii) above shall be deemed to be Compound Interest Bonds until the specified date on which the compound interest ceases to accrue.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Trust Agreement.

"Credit Facility" means a bank, financial institution, insurance company or indemnity company which performs one or more of the following tasks: (i) the enhancement of the City's credit by assuring holders of any of the City's bonds or obligations that principal of and interest on said bonds or obligations will be paid promptly when due (including the issuance of an insurance policy, surety bond or other form of security for a bond reserve account), or (ii) providing liquidity for the holders of bonds or obligations through undertaking to cause bonds or obligations to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by a subsequent ordinance or resolution duly enacted by the Mayor and Council of the City.

"Current Expenses" means all costs reasonably incurred in connection with the operation, use and maintenance of the Systems, including repairs and renewals (other than capital improvements and acquisition of sewer and water properties as specified in the Trust Agreement) necessary to keep the Systems in efficient and economical operating condition, including the payments of premiums for insurance hereinafter required to be carried on the Systems and generally all expenses, exclusive of depreciation, which under good accounting practice are properly chargeable to, and are reasonable and necessary to, the efficient maintenance and operation of the Systems, only to the extent that the funds and obligations escrowed for the purpose shall fail to be sufficient for such payments.

"Default Rate" shall mean a rate of interest which is the lesser of 10% per annum or the average rate of interest paid on the Obligations.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the City or the Trustee relating to the execution, sale and delivery of the Purchase Agreement, the Trust Agreement, the 2015 Depository Trust Agreement or the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations, and charges and fees in connection with the foregoing.

"Depository Trustee" means any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to the Trust Agreement.

"Event of Default" means an event of default under the Purchase Agreement or under the Trust Agreement.

"Fiscal Year" means the period commencing each July 1 and ending June 30 of the succeeding calendar year, unless otherwise determined and designated by the City, and the Net Revenues shall be accounted for on that basis.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the City or the Trustee.

"Interest Payment Date" means each of the dates specified in the Trust Agreement on which interest is due and payable with respect to the Obligations.

"Interim Senior Indebtedness" means a Parity Obligation or Subordinate Obligation, as applicable, issued with a maximum maturity of not more than 5 years which obligations are issued with the expectation of being refunded or refinanced with Senior Obligations or Subordinate Obligations, as applicable, prior to or at maturity.

"Maturity Date" means, for any Obligations, the date on which such Obligation matures as provided in the Trust Agreement.

"Maximum Annual Debt Service" means an amount of money equal to the highest aggregate Principal Requirement and interest requirements of all Outstanding Senior Obligations or Outstanding Subordinate Obligations, as applicable, and any periodic fees paid to any providers of a Credit Facility related to such bonds or obligations to fall due and payable in the current or any future Fiscal Year. In case any bonds or obligations Outstanding or proposed to be issued shall bear interest at a variable rate, the interest requirement in each Fiscal Year during which such variable rate applies (i) in the case of bonds or obligations Outstanding (a) shall be for periods during such Fiscal Year for which the variable rate has been determined the rate or rates actually in effect during such period, and (b) shall be for periods during such Fiscal Year for which the variable rate has not yet been determined, the rate which is equal to 125% of the rate in effect on the date of determination or, (ii) in the case of bonds or obligations proposed to be issued shall be 125% of the initial interest rate; provided that the rate shall never exceed the maximum rate provided under the terms of issuance of such bonds or obligations. If obligations of the types described as Interim Senior Indebtedness, commercial paper, balloon indebtedness or optional tender bonds as permitted in the Trust Agreement, are included in the calculation of Maximum Annual Debt Service, the appropriate Assumed Amortization Period and Assumed Interest Rate shall be used.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Net Revenues" means for each Fiscal Year the Revenues remaining after providing sufficient funds for the Current Expenses of the System.

"Outstanding", when used with reference to the Senior Obligations or Subordinate Obligations, means the Senior Obligations or Subordinate Obligations which are outstanding and unpaid; provided, however, that such term shall not include Senior Obligations or Subordinate Obligations (a) which have matured and for which moneys are on deposit with the Registrar for the applicable Obligations, or are otherwise properly available in an amount sufficient to pay all principal and interest then due and payable thereon, or (b) provision for the payment of which has been made by the City in accordance with the Senior Obligation Agreement or the trust agreements related to the Subordinate Obligations. Obligations shall be considered Outstanding if the principal and/or interest on which has been paid by the Bond Insurer.

"Owner" or any similar term, when used with respect to Obligation or Parity Obligation means the person in whose name such Obligation or Parity Obligation shall be registered.

"Payment Date" means any date on which a Payment is due from the City pursuant to the Purchase Agreement.

"Payment Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Payments" means all payments required to be paid by the City on any date pursuant to the Purchase Agreement.

"Principal Requirement" means, as of any date of calculation, the sum of (a) the principal amount of Senior Obligations or Subordinate Obligations, as applicable, falling due during the then current Fiscal Year plus (b) the amount of principal of Senior Obligations or Subordinate Obligations, as applicable, required to be redeemed pursuant to a mandatory redemption feature during the then current Fiscal Year. In computing the Principal Requirement, an amount of Senior Obligations or Subordinate Obligations, as applicable, required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of Senior Obligations or Subordinate Obligations, as applicable, maturing on the scheduled maturity date. In the case of Senior Obligations or Subordinate Obligations, as applicable, supported by a Credit Facility, the Principal Requirements for such Senior Obligations or Subordinate Obligations shall be determined in accordance with the principal retirement schedule specified in the proceedings authorizing the issuance of such Senior Obligations or Subordinate Obligations, as applicable, rat her than by any amortization schedule set forth in such Credit Facility. A series ordinance or a supplement to the Senior Obligation Agreement authorizing the issuance or providing for the sale of Senior Obligations, or Senior Obligation Agreement authorizing the issuance of or providing for the sale of Subordinate Obligations, as applicable, which are Compound Interest Bonds may amend the definition of "Principal Requirement" to include accreted interest on such a Compound Interest Bond. For purposes of calculating the Principal Requirement for any year, the City shall reduce the amount of the Principal Requirement in any year by the amount of any monies deposited by the City into a special fund for use to pay the Principal Requirement in any such year.

"Qualified Permitted Investments" means:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - "SLGs") ("Treasuries").

(c) evidence of ownership of proportionate interest in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(d) Subject to the prior written consent of the Bond Insurer, pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e. there is no Moody's rating), then the

pre- refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-funded municipals to satisfy this condition.

(e) Securities eligible for "AAA" defeasance under the existing criteria of S&P.

"Record Date" means the close of business of the Trustee on the fifteenth day of the month preceding an Interest Payment Date.

"Reserve Fund" means the fund of that name established pursuant to the Senior Obligations Agreements for all Senior Obligations (other than those for which a separate reserve fund is established).

"Reserve Fund Guarantor" shall mean the issuer of the Reserve Fund Guaranty.

"Reserve Fund Guaranty", if any, shall mean a letter of credit, surety bond or similar arrangement representing the irrevocable obligation of the Reserve Fund Guarantor to pay to the Trustee upon request made by the Trustee up to an amount stated therein for application as provided in the Trust Agreement.

"Reserve Fund Guaranty Agreement", if any, shall mean the reimbursement agreement, loan agreement or similar agreement between the City and a Reserve fund Guarantor with respect to repayment of amounts advanced under the Reserve fund Guaranty.

"Reserve Fund Guaranty Coverage" shall mean the amount available at any particular time to be paid to the Trustee under the terms of the Reserve Fund Guaranty.

"Reserve Fund Requirement" means, with respect to the Reserve Fund to the extent required to be funded, a Reserve Fund Value equal to the lesser of (i) an amount equal to ten percent (10%) of the aggregate principal amount of Senior Obligations secured by the Reserve Fund; (ii) the Maximum Annual Debt Service of the Senior Obligations secured by the Reserve Fund; or (iii) one hundred twenty-five -percent (125%) of the average annual debt service of the Senior Obligations secured by the Reserve Fund, and, with respect to other Senior Obligations for which a separate reserve fund is established, the lesser of such amounts determined with respect to all Senior Obligations secured by such separate reserve fund.

"Reserve Fund Value" means the aggregate of the Reserve Fund Guaranty Coverage and the value of moneys and investments credited to the Reserve Fund, the value of investments to be the Value at Market.

"Revenues" means all income, moneys and receipts to be received directly or indirectly from the ownership, use or operation of the Systems, including without limiting the generality of the foregoing, interest received on, and profits realized from the sale of, investments made with moneys of the Systems, including payments by the federal government with respect to any Build America Bonds issued for and secured by revenues of the Systems.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Seller" means the Trustee in its trust capacity as Seller under the Purchase Agreement.

"Senior Obligation Agreements" means the agreements authorizing or relating to the execution and delivery of Senior Obligations.

"Senior Obligations" means the Existing Senior Obligations, the Obligations, and any Additional Senior Obligations.

"State" means the State of Arizona.

"Subordinate Obligation Agreements" means the agreements authorizing or relating to the execution and delivery of Subordinate Obligations.

"Term of the Purchase Agreement" means the time during which the Purchase Agreement is in effect.

"Trustee" means U.S. Bank National Association, or any successor thereto acting as Trustee pursuant to the Trust Agreement and in its capacity as Seller under the Purchase Agreement.

"Value at Market" or "Market Value" means the indicated bid value of the investment or investments to be valued as shown in the Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

"Water and Sewer Systems" or "Systems" means the properties and facilities of the complete Water and Sewer Systems of the City, whether lying within or without the boundaries of the City, as now existing and as they may hereafter be improved or extended while any of the Obligations or additional Obligations herein permitted to be issued on a parity therewith remain outstanding; all improvements, additions and extensions thereto or replacements thereof hereafter constructed or acquired by purchase, contract, or otherwise; and all contracts, rights, agreements, leases and franchises of every nature owned by the City and used in the operation of the Water and Sewer Systems or any part or portion thereof.

THE TRUST AGREEMENT

Authorization. Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into the Trust Agreement, and has taken all actions necessary to authorize the execution of the Trust Agreement by the officers and persons signing it.

Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by the Trust Agreement to be signed or executed by Obligation Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Obligations shall be sufficient for any purpose of this Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof.

(b) The fact of the ownership of Obligations by any person and the amount, the maturity and the numbers of such Obligations and the date of his holding the same be proved on the registration books maintained pursuant to the Trust Agreement.

Reserve Fund. The Senior Obligation Agreement for the Existing Senior Obligations establishes a special fund designated as the "City of Glendale Project Reserve Fund" (which shall also be known as the "Reserve Fund").

The City shall fund the Reserve Fund with cash, surety bonds or some combination thereof in an amount equal to the Reserve Fund Requirement for all outstanding Senior Obligations in twelve equal monthly installments on the 15th day of each month beginning January 15 following the end of a Fiscal Year if the Net Revenues of the System during such Fiscal Year do not equal or exceed one-hundred seventy-five percent (175%) of the Annual Debt Service Requirement on all Senior Obligations for such Fiscal Year. The City will make such determination within thirty (30) days after the end of each Fiscal Year and shall promptly inform the Trustee if the Reserve Fund is to be funded. If, after the City makes any such deposit to the Reserve Fund for the Senior Obligations, Net Revenues for two consecutive Fiscal Years equal or exceed one hundred seventy-five percent (175%) of the Annual Debt Service Requirement on all Senior Obligations for such Fiscal Years, the cash or surety bonds on deposit in the Reserve Fund for the Senior Obligations shall be released and may be used by the City for any lawful purpose. Notwithstanding the foregoing, the provisions set forth in this Trust Agreement relating

to the Reserve Fund shall be effective only (i) upon the determination that the Reserve Fund shall be funded as provided in the preceding sentence and (ii) only to the extent that a comparable requirement exists for any Senior Obligations outstanding on the date of issuance of the Obligations.

The Reserve Fund shall be an integrated and indivisible common Reserve Fund required under the Trust Agreement for the Existing Senior Obligations, the Obligations and all other Senior Obligations except to the extent that the City establishes a separate reserve fund for the other Senior Obligations, which shall be determined at the time the City is required to fund the Reserve Fund. Amounts in the Reserve Fund shall be available to be applied as provided herein.

Upon funding of the Reserve Fund, the Trustee shall enter into an intercreditor agreement with the trustees for the applicable Senior Obligations which shall allow amounts in the Reserve Fund to be drawn out by the applicable trustees and used to make payment of principal and interest on the Existing Senior Obligations, the Obligations, and on any Additional Senior Obligations for which a separate reserve fund is not established, pro rata, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such Existing Senior Obligations or Additional Senior Obligations are insufficient.

In the event that after funding the Reserve Fund the Reserve Fund Value is less than the Reserve Fund Requirement, the City shall, in addition to the payments provided under the Purchase Agreement, immediately pay to the Trustee an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In lieu of funding with cash payments, the City may deliver to the Trustee a Reserve Fund Guaranty complying with the requirements of the Trust Agreement.

Protection of Lien. The Trustee and the City agree not to make or create or suffer to be made or, created any assignment or lien having priority or preference over the assignment and lien of the Trust Agreement upon the interests granted hereby or any part thereof, except for Senior Obligations now or hereafter issued. The Trustee and the City agree that no obligations the payment of which is secured by an equal claim on or interest in property or revenues pledged hereunder will be issued by either except in lieu of, or upon transfer of registration or exchange of, any Obligation and except for Senior Obligations.

Appointment of Trustee. City will maintain as Trustee a bank or trust company with a combined capital and surplus of at least Seventy-Five Million Dollars ($75,000,000), and subject to supervision or examination by federal or State authority, so long as any Obligations are Outstanding.

Liability of Trustee. The recitals of facts, covenants and agreements in the Trust Agreement and in the Obligations contained shall be taken as statements, covenants and agreements of the City, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Trust Agreement or of the Obligations or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Obligations assigned to or imposed upon them, respectively.

Protection and Rights of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Obligation shall be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the City with regard to legal questions and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in the Trust Agreement in good faith in accordance therewith.

Whenever in the administration of its duties under the Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Trust Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Trust Agreement) shall be deemed to be conclusively proved and established by the certificate of the City Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions in the Trust Agreement upon the faith thereof, but in its

discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may become the Owner of the Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it in the Trust Agreement by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty under the Trust Agreement, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power in the Trust Agreement or for anything whatever in connection with the funds and accounts established in the Trust Agreement, except only for its own willful misconduct or negligence.

No provision in the Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties in the Trust Agreement.

The Trustee shall not be accountable for the use or application by the City or any other party of any funds which the Trustee has released in accordance with the terms of the Trust Agreement.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City of the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Purchase Agreement or the Trust Agreement for the acquisition, construction, installation, furnishing, equipping, existence or use of the Project.

Notwithstanding any provision in the Trust Agreement or in the Purchase Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default for nonpayment of a Payment under the Purchase Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding.

Removal of Trustee. The City (but only if no Event of Default has occurred and is continuing), or the Owners of a majority in aggregate principal amount of all Obligations Outstanding, by written directive, at any time and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of Arizona, having a combined capital (exclusive of borrowed capital) and surplus of at least Seventy-Five Million Dollars ($75,000,000) and subject to supervision or examination by Federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of the Trust Agreement, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the City does not appoint a successor trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. Trustee and City shall execute any documents reasonably required to affect the transfer of rights and obligations of the Trustee to the successor trustee. Upon such acceptance, the successor trustee shall mail notice thereof to the Obligation Owners at their respective addresses set forth on the Obligation registration books maintained pursuant to the Trust Agreement.

Notwithstanding the foregoing, in the event the Trustee merges or becomes consolidated with any other entity which resulting entity is otherwise qualified to be a successor trustee hereunder, such resulting entity shall assume all

rights, obligations and duties of the Trustee under the Trust Agreement and under the Purchase Agreement without the execution or filing of any papers or any further act on the part of either party hereto.

Amendments Without Written Consent of Obligation Owners. The Trust Agreement and the rights and obligations of the Owners of the Obligations, and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement, without the consent of any such Owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Trustee (for its own behalf) or the City, (2) to provide additional revenues or additional security or reserves for payment of the Obligations, (3) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (4) to provide for the appointment of a successor trustee pursuant to the terms hereof, (5) to preserve the exclusion of interest represented by the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to issue bonds or incur other obligations the interest on which is likewise exempt from federal and State income taxes, (6) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, (7) with respect to rating matters or (8) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owners of the Obligations as evidenced by a special counsel's opinion delivered by the City to the Trustee. Any such supplemental or amending agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely upon a special counsel's opinion as conclusive evidence that any such supplemental or amending agreement complies with this Section.

Procedure for Amendment With Written Consent of Obligation Owners. The Trust Agreement and the rights and obligations of the Owners of the Obligations and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of Obligations disqualified as provided in the Trust Agreement, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Obligation or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

Limited Liability of the City. Except for the payment of Payments from Net Revenues when due in accordance with the Purchase Agreement and the performance of the other covenants and agreements of the City contained in the Purchase Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Obligations with respect to this Agreement, or the terms, execution, delivery or transfer of the Obligations, or the distribution of Payments to the Owners by the Trustee.

No Liability of the City for Trustee Performance. The City shall have no obligation or liability to any of the other parties or to the Owners of the Obligations with respect to the performance by the Trustee of any duty imposed upon it hereunder.

Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel m may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

Events of Default.

(a) The occurrence of one or more of the following events constitutes an Event of Default, whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(i) City's failure to make any Payment, whether in whole or in part, when the same shall become due as provided herein or on any of the Senior Obligations or in the Purchase Agreement;

(ii) City's failure to perform or observe any other covenant, condition or agreement required to be performed or observed by City hereunder or under the Purchase Agreement, and the continuation of such failure for a period of thirty (30) days after written notice thereof from Trustee (whether in its capacity as Trustee or Seller) to City, or in the event that the Seller consents to an extension of time in accordance with the Purchase Agreement but not longer than sixty (60) days, then the continuation of such failure for such extended period of time;

(iii) Any representation or warranty made by the City shall be untrue in any material respect as of the date made and not made true in all material respects within thirty (30) days of notice thereof from the Trustee or the Seller to the City;

(iv) With respect to any Outstanding Senior Obligations, the occurrence of an event of default which is not cured within the applicable cure period, if any;

(v) City becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for the City or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt dissolution or liquidation proceeding, is instituted by or against the City and, if instituted against the City, is consented to or acquiesced in by the City or is not dismissed within sixty (60) days.

Remedies. Upon the occurrence of any Event of Default, the Trustee shall give written notice of such Event of Default to the City and may in the Trustee's sole discretion pursue or exercise any of the following remedies or rights, provided that such election or commencement to exercise any such remedy or right shall not preclude the Trustee from concurrently or separately electing or exercising any other remedy not inconsistent therewith:

(a) The Trustee may proceed to protect and enforce its rights and the rights of the holders of the Senior Obligations under the Trust Agreement by a suit or suits in equity or at law, including mandamus, either for the specific performance of any covenant or agreement contained herein or in the Purchase Agreement, or in aid of the execution of any power granted in the Trust Agreement or in the Purchase Agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the Senior Obligations, the Trust Agreement and/or the Purchase Agreement.

(b) The Trustee, upon the bringing of a suit to enforce any of its rights under the Trust Agreement or under the Purchase Agreement, as a matter of right without notice and without giving bond to the City or anyone claiming under them, may (i) have a receiver appointed, subject to the claim thereon with respect to the Senior Obligations and other Senior Obligations, of all the Net Revenues which are pledged for the payment of the payments under the Purchase Agreement, pending such proceedings, with such powers as the court making such appointment shall confer, including such powers as may be necessary or usual in such cases for the collection and proper disbursement of the Net Revenues pledged for the payment of the payments under the Purchase Agreement, and the City does hereby irrevocably consent to such appointment and (ii) seek and obtain such injunctive relief as may be appropriate.

The Trustee is appointed, and the successive respective Owners by taking and owning the Obligations, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney-in-fact of the respective Owners, with authority to make or file, in the respective names of the Owners or in behalf of all Owners as a class, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any and all acts and things for and in behalf of all Owners as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have the respective claims of the Owners against the City allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the City shall be a party. The Trustee shall have full powers of substitution and delegation in respect of any such powers.

Notwithstanding anything in the Trust Agreement or in the Purchase Agreement to the contrary, there shall be no right under any circumstances (i) to accelerate the maturities of the Obligations (other than as provided for optional prepayment), (ii) to declare any Payment not then past due or in default to be immediately due and payable, or (iii) interfere with the ownership, use and possession of the Project by the City.

Application of Funds. Subject to the rights with respect to the Senior Obligations, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Trust Agreement or the Purchase Agreement with respect to remedies upon default shall be applied by the Trustee in the order following upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations for principal and interest, with interest on the overdue principal and installments of interest at the Default Rate (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Third, to the payment of any amounts due to restore the Reserve Fund to the Reserve Fund Requirement.

Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained in the Trust Agreement.

Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Trust Agreement, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Obligations of any remedy under the Trust Agreement; it being understood and intended that no one or more Owners of Obligations shall have any right in any manner whatever by his or their action to enforce any right under the Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Obligations.

The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of the Trust Agreement or any other provision thereof.

Defeasance. Any Outstanding Obligations or portions thereof in authorized denominations may be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest with respect to such Obligations, as and when the same become due and payable;

(b) by depositing with a Depository Trustee, in trust for such purpose, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund and held for such purpose is fully sufficient to pay or cause to be paid such Obligations, including all principal and interest;

(c) depositing with a Depository Trustee, in trust for such purpose, any Qualified Permitted Investment in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants or other financial or consulting firm acceptable to both the Trustee and the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged any Obligations (including all principal and interest) at their respective maturity dates, which deposit may be made in accordance with the provisions of the Purchase Agreement; notwithstanding that any such Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to such Outstanding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from Payments paid by or on behalf of the City from funds deposited pursuant to paragraphs (b) or (c) above, to the Owners of such Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), such Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such Payments under the Purchase Agreement.

THE PURCHASE AGREEMENT

Terms and Payments.

(a) For the purpose of refinancing a portion of the City's payment obligations relating to the Refinanced Projects, Seller sells to City and City buys from Seller, the City's residual rights in the Refinanced Projects, subject to any circumstances remaining under the Subordinate Obligation Agreement.

(b) City agrees to make purchase Payments to Seller as follows:

First: on each June 15 and December 15, the amount due on the next following July 1 or January 1, respectively, as interest;

Second: on each June 15 only, the amount of principal to come due on the Obligations on the next following July 1;

Third: to the extent required to be funded as provide in the Senior Obligation Agreements, any amount due on the next July 1 or January 1 , respectively, to (a) the Reserve Fund Guarantor and (b) to return the Reserve Fund to the Reserve Fund Requirement;

Fourth: any other amount due or to come due on or before the next July 1 or January 1, pursuant to the Trust Agreement to the Trustee or any other person.

The remaining Net Revenues not required to be transferred as set forth may be used for any lawful purpose of the City.

City's obligation to make Payments shall be limited to payment from Net Revenues.

(d) The obligations of City to make the Payments and to perform and observe the other agreements contained in the Purchase Agreement shall be absolute and unconditional and is not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of Seller of any obligation to City or otherwise, or out of indebtedness or liability at any time owing to City by Seller. Until such time as all of the Payments shall have been fully paid or provided for, City (i) will not suspend or discontinue any payments provided for in the Purchase Agreement, (ii)

will perform and observe all other agreements contained in the Purchase Agreement, and (iii) will not terminate the term of the Purchase Agreement for any cause.

Pledge of Net Revenues; Limited Obligations.

(a) City pledges for the payment of the purchase price and all other amounts payable pursuant to the Purchase Agreement its Net Revenues. City intends that this pledge shall be a senior lien pledge upon such amounts of the Net Revenues as will be sufficient to make the Payments pursuant to the Purchase Agreement when due. City covenants to make such Payments from such Net Revenues, except to the extent it chooses to make the Payments from other funds. The pledge of, and lien on, the Net Revenues is irrevocably made and created for the prompt and punctual payment of the amounts due under the Purchase Agreement. All of the Payments are coequal as to the pledge of and lien on the Net Revenues pledged for the payments under the Purchase Agreement and share ratably, without preference, priority or distinction, as to the source or method of payment from Net Revenues or security therefor. The pledge and lien is on a parity with the pledge of and lien on such Net Revenues for the payments due with respect to any Additional Senior Obligations hereafter issued.

(b) City's obligation to make payments of any amounts due under the Purchase Agreement, including amounts due after default or termination thereof, is limited to payment from Net Revenues and shall in no circumstances constitute a general obligation of, or a pledge of the full faith and credit of, City, the State of Arizona, or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any ad valorem taxes.

Senior Obligations as Paramount. City shall not permit any lien upon the Net Revenues senior to the lien of the Purchase Agreement. So long as any amounts due thereunder remain unpaid or unprovided for, City shall not permit any lien upon Net Revenues on a parity with the lien of the Purchase Agreement except for Additional Senior Obligations upon compliance with the requirements therefor set out in the Trust Agreement.

Rate Covenant and Coverage. The City covenants and agrees that it shall at all times establish, fix, maintain and collect rates, fees and other charges for all water and services furnished by the Water and Sewer Systems fully sufficient at all times to produce Net Revenues in each Fiscal Year which:

(a) will equal at least 120% of the debt service coming due in such Fiscal Year on all Senior Obligations then Outstanding (if obligations of the types described as Interim Senior Indebtedness, commercial paper, balloon indebtedness or optional tender bonds as permitted the Trust Agreement are included in the calculation of debt service, the appropriate Assumed Amortization Period and Assumed Interest Rate shall be used);

(b) will enable the Buyer to make all required payments into the Reserve Fund;

(c) will remedy all deficiencies in payments into any of the funds and accounts mentioned below from prior Fiscal Years (including repaying any credit provider of Senior Obligations) and meet all requirements for principal of and interest on any subordinated obligations payable from the Net Revenues; and

(d) will enable the Buyer to make all required payments to the Reserve Fund Guarantor. For purposes of this Section:

Taxes. In addition to the Payments to be made pursuant to the Purchase Agreement, City agrees to pay, and, to the extent permitted by law, to indemnify and hold Seller harmless for, from and against, all license, sales, use, real or personal property, gross receipts or other taxes, levies, imposts, duties or charges, together with any penalties, fines or interest thereon (collectively, the "Taxes") imposed against or on Seller, City or the Project by any Federal, state or local government or taxing authority upon or with respect to the Project or the purchase, ownership, lease, rental, possession, operation, return, sale or use of, or receipt of rental payments or other payments or receipts for, the Project, except any Federal or state income taxes, if any, payable by Seller. Seller shall give City ten (10) days' written notice before proceeding to pay any such Taxes. City may in good faith and by appropriate proceedings contest any such Taxes prior to payment so long as City shall have provided such security for the payment of any such Taxes pending the outcome of such proceedings as Seller shall reasonably approve.

Use and Licenses. During the term of the Purchase Agreement, City shall use the Refinanced Projects for municipal purposes. City will not acquire, construct, install, use, operate or maintain the Refinanced Projects improperly,

carelessly, or in violation of any applicable law, ordinance, rule or regulation of any governmental authority, or in a manner contrary either to the nature of the Refinanced Projects or that contemplated by the Purchase Agreement.

Maintenance. City shall during the term of the Purchase Agreement service, repair and maintain the Refinanced Projects at its own expense.

Representations, Warranties and Covenants.

(a) Except with respect to its power and authority to enter into the Purchase Agreement and to perform its covenants under the Purchase Agreement, Seller has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Refinanced Projects for any particular purpose or the conformity of the Project to any plans, specifications, construction contract, purchase order, model or sample, or as to its design, construction, delivery, installation and operation or its suitability for use by City after acquisition. All such risks shall be borne by City without in any way excusing City from its obligations under this Agreement and Seller shall not be liable to City for any damages on account of such risks.

(b) City represents, warrants and covenants that it has the power to enter into the Purchase Agreement, that the Purchase Agreement is a lawful, valid and binding obligation of City, enforceable against City in accordance with its terms, and has been duly authorized, executed and delivered by City.

(c) City represents, warrants and covenants that it has disclosed in writing to Seller all facts that do or will materially adversely affect the properties, operations or financial condition of City and that any financial statements, notices or other written statements provided by City to Seller pursuant hereto will not contain any untrue statement of a material fact or omit any material fact necessary to make such statements or information not misleading.

Providing for Payment. City may provide for the payment of any Payment in any one or more of the following ways:

(1) by paying such Payment as and when the same becomes due and payable at its scheduled due date or prepayment date pursuant to the Purchase Agreement;

(2) by depositing with a Depository Trustee at or before maturity, money which, together with the amounts then on deposit with the Seller and available for such Payment is fully sufficient to make, or cause to be made, such Payment; or

(3) by depositing with a Depository Trustee Qualified Permitted Investments which are noncallable, in such amount as shall be certified to the Seller and City, by a national firm of certified public accountants acceptable to both the Seller and City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Seller and available for such Payment, to make, or cause to be made, such Payment, as and when the same becomes due and payable at maturity.

Defaults and Remedies.

(a) The occurrence of one or more of the following events constitutes an Event of Default, whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) City's failure to make any Payment when the same shall become due;

(2) City's failure to perform or observe any other covenant, condition or agreement required to be performed or observed by City under the Purchase Agreement or under the Trust Agreement and continuation of such failure for a period of sixty (60) days after written notice thereof from Seller to City; provided, however, that if the failure cannot be corrected with in the applicable time period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by City within the applicable period and diligently pursued until the default is corrected;

(3) Any representation or warranty made by City shall be untrue in any material respect as of the date made and not made true in all material respects within twenty (20) days of notice thereof from Seiler to City;

(4) City shall make, permit or suffer any unauthorized assignment or transfer of the Purchase Agreement or any interest therein; or

(5) City becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for City or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against City and, if instituted against City, is consented to or acquiesced in by City or is not dismissed within sixty (60) days.

(b) Upon the occurrence of any Event of Default, Seller shall give written notice of such Event of Default to City and may in Seller's sole discretion, subject to the control of the Bond Insurer in accordance with the provisions of the Trust Agreement, pursue or exercise any of the following remedies or rights, provided that such election or commencement to exercise any such remedy or right shall not preclude Seller from concurrently or separately electing or exercising any other remedy not inconsistent therewith:

(1) Enforce the Purchase Agreement by appropriate legal or other action to collect all amounts due or accruing hereunder or under the Trust Agreement and to cause City to pay or perform its other obligations hereunder or under the Trust Agreement when and as the same shall be required to be paid or performed, and for damages for the breach hereof and of the Trust Agreement, which damages shall be the amounts payable hereunder at the times set forth without acceleration plus the reasonable costs of collection, including reasonable attorneys' fees; or

(2) Pursue and exercise any other remedy available at law or in equity and all other remedies permitted under the Trust Agreement.

(c) Seller, upon the bringing of a suit to collect the Payments in default, may as a matter of right, without notice and without giving bond to City or anyone claiming under City, but subject to the superior rights to payment of the Senior Obligations (i) have a receiver appointed of all the Net Revenues which are so pledged for the payment of amounts due hereunder, with such powers as the court making such appointment shall confer; and City does hereby irrevocably consent to such appointment and (ii) seek and obtain injunctive relief.

(d) The obligation of City to make Payments is not subject to acceleration and such Payments may not be made immediately due and payable for any reason.

(e) Notwithstanding any Event of Default, Seller shall have no right to interfere with City's ownership, possession or use of the Refinanced Projects.

Assignment and Sublease. Without the prior written consent of Seller, City shall not assign, transfer, pledge or hypothecate or otherwise dispose of the Purchase Agreement, or any interest therein.

Seller's Right to Perform for City. If City fails to make any payment or fails to perform or comply with any of its covenants or obligations under the Purchase Agreement, Seller may, but shall not be required to, make such payment or perform or comply with such covenants and obligations on behalf of City and the amount of any such payment and the expenses (including but not limited to reasonable attorney's fees) incurred by Seller in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the rate per annum equal to the lower of the maximum rate permitted by law or the Default Rate shall be deemed additional rent payable by City within fifteen (15) days after demand.

APPENDIX E

FORM OF OPINION OF SPECIAL COUNSEL

[Closing Date]

U.S. Bank National Association

Re: Senior Lien Water and Sewer Revenue Refunding Obligations, Series 2015 Representing Proportionate Interests of the Owners Thereof in Purchase Price Payments to be Made by City of Glendale, Arizona, to U.S. Bank National Association, as Trustee

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by U.S. Bank National Association (the "Trustee") of the Senior Lien Water and Sewer Revenue Refunding Obligations, Series 2015 (the "Obligations"), pursuant to a Trust Agreement, dated as of _____ 1, 2015 (the "Trust Agreement"), between the Trustee and City of Glendale, Arizona (the "City"). Each of the Obligations is an undivided, participating, proportionate interest in certain payments (the "Payments") to be made by the City pursuant to a Purchase Agreement, dated as of _____ 1, 2015 (the "Purchase Agreement"), between the Trustee as seller and the City as buyer to refinance the payments owed by the City with respect to certain obligations previously issued to finance improvements the City's water and sewer systems (collectively, the "Systems"). The Payments are secured by a senior lien on and pledge of certain revenues of net of the costs of operating and maintaining the Systems, as more fully described in the Trust Agreement (the "Net Revenues"). In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the City Attorney delivered even date herewith as to the matters provided therein.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Obligations, the Trust Agreement and the Purchase Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally; except to the extent that the enforceability thereof and the rights thereunder may be limited by the application of general principles of equity and, as to the Trust Agreement, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The City is obligated to make the Payments solely from the Net Revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such Payments. The Trust Agreement creates the pledge which it purports to create in the pledged revenues and of other moneys in the funds and accounts created by the Trust Agreement (other than the Rebate Fund), which pledge will be perfected only as to the revenue and other moneys on deposit in the funds and accounts created by the Trust Agreement and held by or on behalf of the Trustee. Such Payments are not secured by an obligation or pledge of any moneys raised by taxation; the Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the Payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Subject to the assumption stated in the last sentence of this paragraph, the portion of each Payment made by the City pursuant to the Purchase Agreement, denominated and comprising interest with respect to the

Obligations and received by the beneficial owners of the Obligations (the "Interest Portion"), is excludible from the gross income of the beneficial owners thereof for federal income tax purposes. Furthermore, the Interest Portion is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however the Interest Portion is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. (We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the Interest Portion on, or ownership or disposition of, the Obligations.) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In rendering the opinion expressed in this paragraph, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Interest Portion is so excludable for federal income tax purposes, the Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the receipt or accrual of such interest on, or ownership or disposition of, the Obligations.)

In rendering the foregoing opinions, we have assumed and relied upon compliance with the City's covenants and the accuracy, including with respect to the application of the proceeds of the obligations being refunded and the Obligations, respectively, which we have not independently verified, of the City's representations and certifications contained in the transcript. The accuracy of those representations and certifications, and the City's compliance with those covenants, may be necessary for the Interest Portion to be and remain excluded from gross income for federal and State income tax purposes and for certain of the other tax effects stated above. Failure to comply with certain requirements subsequent to delivery of the Obligations could cause Interest Portion to be included in gross income for federal and State income tax purposes retroactively to the date of delivery of the Obligations. We have also relied upon the Verification Report of _____, certified public accountants, as to the adequacy of the Obligations issued or guaranteed by the United States Government in which proceeds of the Obligations have been invested to provide for retirement of the obligations being refunded and as to the yield on such investments and the yield on the Obligations.

The rights of the owners of the Obligations and the enforceability of those rights under the Obligations and the documents referred to above may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CITY OF GLENDALE, ARIZONA ("CITY")
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Glendale, Arizona (the "City") in connection with the execution and delivery of the Obligations (as defined below). The Obligations are being executed and delivered pursuant to a Trust Agreement, dated as of February 1, 2015 (the "Trust Agreement").

In consideration of the issuance of the Obligations by the City and the purchase of such Obligations by the beneficial owners thereof, the City covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Obligations at the time the Obligations are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Obligations.

2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. As of the date of this Undertaking, information regarding submission to EMMA is available at http://emma.msrb.org/submission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Listed Event" means the occurrence of any of the events with respect to the Obligations set forth in Exhibit II.

"Listed Events Disclosure" means dissemination of a notice of a Listed Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligations" means the $_____ Senior Lien Water and Sewer Revenue Refunding Obligations, Series 2015.

"Participating Underwriters" means each broker, dealer or municipal securities dealer acting as an Underwriter in the primary offering of the Obligations.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Arizona.

"Undertaking" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Obligations is 378352. The Final Official Statement relating to the Obligations is dated _____, 2015 (the "Final Official Statement").

4. Annual Information Disclosure. Subject to Section 9 of this Undertaking, the City shall disseminate its Annual Information and its Audited Financial Statement, if any, (in the form and by the dates set forth in Exhibit I) through EMMA. The City is required to deliver such information in such manner and by such time so that EMMA receives the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided through EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner Listed Events Disclosure through EMMA. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Obligations or defeasance of any Obligations need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Obligation holders pursuant to the Trust Agreement.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner, through EMMA, of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default under the Trust Agreement. The sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the City by certified resolution authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Obligations, as determined by a counsel or other entity unaffiliated with the City.

8. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Trust Agreement. The City shall give notice in a timely manner if this Section is applicable through EMMA.

9. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

12. Recordkeeping. The City shall maintain records of all Annual Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Governing Law. This Undertaking shall be governed by the laws of the State of Arizona.

CITY OF GLENDALE, ARIZONA

By:_____
Its: Chief Financial Officer
Address: 5850 West Glendale Avenue
Glendale, Arizona

Date: February ___, 2015

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING
AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION/TABLE	PAGE
Table 1 -- Water and Sewer Revenue Bond Coverage	___
Appendix A – Table captioned "Historical Average Number of Water Accounts"	A-__
Appendix A – Table captioned "Water Deliveries"	A-__
Appendix A – Table captioned "Average Daily Production Capacity Compared to Average Daily Delivery to Distribution System"	A-__
Appendix A – Table captioned "Commercial Water Rates Per Meter Size"	A-__
Appendix A – Table captioned "Residential Water Rates Per Meter Size"	A-__
Appendix A – Table captioned "Sewage Accounts Billed and Sewage Treated"	A-__
Appendix A – Table captioned "Sewage Service Rates"	A-__
Appendix A – Table captioned "Water and Sewer Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the Period June 30, 2013-2014"	A-__

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA, on or before February 1 of each year for information as of the previous June 30 (unless otherwise specified), beginning February 1, 2016. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included and the Audited Financial Statements shall be subsequently provided within 30 days after their availability to the City.

Audited Financial Statements will be prepared according to GAAP standards, as applied to governmental units as modified by State law.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE OBLIGATIONS
FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity provider, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other notices or determinations, in each case, with respect to the tax status of the Obligations and Senior Obligations.

7. Modifications to the rights of security holders, if material.

8. Obligation calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution or sale of property securing repayment, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Whether event listed above subject to the standard “material” would be material shall be determined under applicable federal securities laws.

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX G "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK ("DTC"). NO REPRESENTATION IS MADE BY THE CITY AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation certificate will be issued for each maturity of each series of the Obligations, totaling in the aggregate the principal amount of each series of the Obligations, and will be deposited with DTC. The owners of book-entry interest will not receive or have the right to receive physical delivery of the Obligations.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in Obligations are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Obligations, such as redemptions (if any), defaults, and proposed amendments to the Obligation documents. For example,

Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Obligations to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments represented by the Obligations will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the Trustee or the City. Under such circumstances, in the event that a successor securities depository is not obtained, Obligation certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS OR TO INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE OBLIGATIONS UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OBLIGATIONS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OBLIGATIONS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF OBLIGATIONS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the Obligations, as nominee for DTC, references in this Official Statement to "Owner" or registered owners of the Obligations (other than with respect to the Obligations under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Obligations.

When reference is made in this Official Statement to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Trustee to DTC only.

In the event that the Book-Entry-Only System is discontinued, the following provisions will apply: principal of the Obligations when due, will be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee. The transfer of the Obligations will be registrable and the Obligations may be exchanged at the designated corporate trust office of the Trustee upon the payment of any taxes or other governmental charges required to be paid with respect to such transfer or exchange.

File #: 14-435, **Version:** 1

ADOPT AN ORDINANCE TO AUTHORIZE THE CITY MANAGER OR CHIEF FINANCIAL OFFICER TO EXECUTE DOCUMENTS AND TAKE THE NECESSARY ACTION TO REFINANCE A PORTION OF CITY OF GLENDALE, ARIZONA TRANSPORTATION EXCISE TAX REVENUE OBLIGATIONS WITH THE SALE AND ISSUANCE OF CITY OF GLENDALE, ARIZONA TRANSPORTATION EXCISE TAX REVENUE REFUNDING OBLIGATIONS AND PLEDGE TRANSPORTATION EXCISE TAX REVENUES TOWARD THE REFUNDING OBLIGATIONS

Staff Contact: Tom Duensing, Director, Finance and Technology
Presenter: Tom Duensing, Director, Finance and Technology
Presenter: Kurt Freund, Managing Director, RBC Capital Markets, LLC
Presenter: Bill DeHaan, Shareholder, Greenberg Traurig, LLP

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager or Chief Financial Officer to execute documents and take the necessary action to refinance a portion of City of Glendale, Arizona Transportation Excise Tax Revenue Obligations with City of Glendale, Arizona Transportation Excise Tax Revenue Refunding Obligations in a par amount which under current bond market conditions savings is estimated to be $1.0 million to $2.4 million. Representatives from RBC Capital Markets, LLC, the City's Financial Advisor, and Greenberg Traurig, LLP, the City's Bond Counsel, will be available for questions.

Background

During the FY14-15 Budget Workshops, Council directed staff to examine its contractual obligations and evaluate refinancing opportunities. On October 14, 2014, Council approved an agreement with RBC Capital Markets, LLC (RBC) to be the City's Financial Advisor. RBC subsequently identified several refinancing opportunities available to the City.

Subsequent to October 14, staff has worked closely with RBC and Greenberg Traurig, LLP, the City's Bond Counsel to develop the documentation and identify the structure of potential debt service cost savings through debt refinancing.

City of Glendale, Transportation Excise Tax Revenue Obligations

The Transportation Excise Tax Obligations are special revenue obligations of the City and were used to construct various transportation projects such as roadway widening, intersection improvements, and right-of-way acquisitions. These transportation obligations are secured and paid solely by the 0.50% transportation excise tax approved by voters on November 6, 2001.

Currently, there is a total of $88,015,000 of par amount outstanding Transportation Excise Tax Obligations. The current debt service payments on the bonds/obligations are through FY31-32 with annual payments

averaging $7.3 million.

The most recent Capital Improvement Plan (CIP) anticipates a total of $20.0 million in projects could be debt financed. Staff will evaluate the necessity of debt issuance during the current fiscal year.

Analysis

Transportation Excise Tax Revenue Obligation Refinancing

Currently, there is one series of Transportation Excise Tax Revenue Obligations outstanding totaling $88,015,000. Based on an analysis by RBC, a total par amount of $77,835,000 would currently provide debt service savings through a refinancing.

It is important to note that debt service savings is conditional on bond market interest rates at the time of refinancing. As the market is subject to change, the City will only execute the transaction if net savings, after paying all costs of issuance, are realized at the time of the transaction. The proposed ordinance requires that the refinancing savings, net of all costs, shall equal at least 2.5% of the par amount of the bonds being refinanced. The debt service savings directly benefits the City's Transportation Funds.

In order to achieve the lowest cost of borrowing, The bonds will be sold to investors by a syndicate of bond underwriting firms (who in turn would sell the bonds to investors in the bond market) or to a bank purchaser as determined by the City Manager or Chief Financial Officer. In order to achieve the lowest cost of borrowing, City staff in conjunction with the City's Financial Advisor, will competitively solicit bond underwriters and banks to determine the most cost effective borrowing approach. It is anticipated that the sale and refinancing of the obligations will occur in January 2015.

Community Benefit/Public Involvement

Bond refinancing directly impacts the cost of borrowing (debt service costs) of the City and allows the City to structure debt service payments to its advantage. This is a complicated process involving City staff, the City's Financial Advisor, the City's Bond Counsel, and other financing participants. Financial advisors have a fiduciary responsibility to the City and are critical in structuring deals that minimize costs, create financial flexibility, or address financial challenges a City may face. Bond counsel provides assurance both to issuers and to investors who purchase the bonds that all legal and tax requirements are met and works closely with City staff and the City's financial advisor to ensure relevant legal issues are addressed.

Budget and Financial Impacts

If savings cannot be realized, the bond refinancing will not take place. The debt service savings can only be calculated upon execution of the transaction currently anticipated for January 2015.

ORDINANCE NO. 2921 NEW SERIES

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA (1) AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND PURCHASE AGREEMENT, A SECOND TRUST AGREEMENT, A DEPOSITORY TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING AND AN OBLIGATION PURCHASE CONTRACT; (2) APPROVING THE SALE, EXECUTION AND DELIVERY OF TRANSPORTATION EXCISE TAX REVENUE REFUNDING OBLIGATIONS IN ONE OR MORE SERIES IN ORDER TO REFUND TRANSPORTATION EXCISE TAX REVENUE OBLIGATIONS PREVIOUSLY DELIVERED TO FINANCE TRANSPORTATION IMPROVEMENTS OF THE CITY; (3) PLEDGING CERTAIN TRANSPORTATION EXCISE TAXES AND RECEIPTS IMPOSED OR RECEIVED BY THE CITY TO THE PAYMENT OF SUCH OBLIGATIONS; (4) DELEGATING TO THE CITY MANAGER OR THE CHIEF FINANCIAL OFFICER OF THE CITY THE LIMITED AUTHORITY TO DESIGNATE BY SERIES THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND OTHER MATTERS WITH RESPECT TO SUCH OBLIGATIONS; AND (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE, INCLUDING THE EXECUTION OF CERTAIN DOCUMENTS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT.

WHEREAS, the City has caused to be executed and delivered Transportation Excise Tax Revenue Obligations, Series 2007 (the "2007 Obligations") pursuant to a Trust Agreement dated as of November 1, 2007 evidencing proportionate interests of the owners of such 2007 Obligations in payments to be made by the City on a First Purchase Agreement dated as of November 1, 2007 (the "2007 Purchase Agreement"); and

WHEREAS, the City proposes to refinance the Refunded Obligations (as defined herein) in order to achieve debt service savings through the issuance of Obligations (as defined herein) evidencing proportionate interests of the owners of such Obligations in payments to be made by the City in the Purchase Agreement (as defined herein); and

WHEREAS, the Obligations will be issued pursuant to the Trust Agreement between the City and the Trustee (as such terms are defined herein); and

WHEREAS, pursuant to the Purchase Agreement, the City will sell to the Trustee its residual rights in the respective properties subject to the 2007 Purchase Agreement after the repayment of the applicable 2007 Obligations and repurchase such rights from the Trustee (the "Residual Rights") ; and

WHEREAS, the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the City will pledge Transportation Excise Taxes on a senior lien basis on a parity with the outstanding 2007 Obligations (as such terms are defined in the 2007 Purchase Agreement); and

WHEREAS, the Obligations may be sold by negotiated sale and if appropriate, may be reoffered pursuant to the Preliminary Official Statement and Official Statement (as such terms are defined herein); and

WHEREAS, there have been presented to the City Council of the City at the meeting of the City Council of the City at which this Ordinance is being adopted, the proposed form of the Preliminary Official Statement, if needed, which may be distributed in connection with the offer and sale of the Obligations (the "Preliminary Official Statement") and there have been place on file with the City Clerk the proposed forms of the following documents: (i) Second Purchase Agreement to be dated as of February 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Purchase Agreement") by and between the City and the Trustee, (ii) Second Trust Agreement to be dated as of February 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Trust Agreement"), (iii) continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), if required pursuant to Rule 15c2-12 of the Securities and Exchange Commission, and (iv) depository trust agreement to be dated as of February 1, 2015 or such later date as may be determined pursuant to Section 2 hereof (the "Depository Trust Agreement"); and

WHEREAS, this Council desires to authorize the execution and delivery of the Purchase Agreement, the Trust Agreement, the Continuing Disclosure Undertaking and the Depository Trust Agreement (collectively, the "Basic Documents") and such other documents as may be necessary in connection with the execution and delivery of said Basic Documents, the pledge of Transportation Excise Taxes for the payment of the amounts due under the Purchase Agreement and the issuance of the Obligations.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GLENDALE AS FOLLOWS:

SECTION 1. In addition to words and terms elsewhere defined in this Ordinance, the capitalized words and terms used herein shall have the meaning given in Article 1 of the Trust Agreement.

SECTION 2. The sale and purchase of the Residual Rights pursuant to the Purchase Agreement are hereby approved; and the installment purchase payments (the "Purchase

Payments") specified in the Purchase Agreement are hereby approved (but subject to the limitations on the source of City payments as set forth in Section 3). The City Manager is hereby authorized and directed to execute the Basic Documents on behalf of the City in substantially the form on file with the City Clerk with such modifications, insertions and changes as may be approved by the executing officials, which approval shall be conclusively evidenced by their execution of the Basic Documents.

SECTION 3. For the payment of the Purchase Payments due and payable under the Purchase Agreement authorized in Section 2 hereof, there are hereby pledged, on a parity basis with the 2007 Obligations, the City's Transportation Excise Taxes. It is intended that this pledge of Transportation Excise Taxes will be sufficient to make the Purchase Payments pursuant to the Purchase Agreement and the City agrees and covenants to make said Purchase Payments from such Transportation Excise Taxes, except to the extent that it chooses to make such payments from other funds, as permitted by law. Neither the Purchase Agreement nor the promise to pay pursuant thereto nor the Obligations constitute a general obligation of the City nor shall the City be liable for the payments under the Purchase Agreement from ad valorem taxes.

SECTION 4. The City Council of the City hereby finds and determines that the refinancing of the Refunded Obligations pursuant to the terms of the Purchase Agreement and the Trust Agreement, through the issuance and the sale of the Obligations, are in furtherance of the purposes of the City and in the public interest will enhance the standard of living within the City and within the State.

SECTION 5. The City hereby approves the issuance and delivery of the Obligations in an aggregate principal amount not to exceed the amount necessary to refund the Refunded Bonds and to pay costs of issuance, provided that such refinancing shall result in a present value debt service savings net of all costs associated with the Obligations of at least two and one-half percent (2.5%).

The Obligations shall be in the denomination of $5,000 or any integral multiple thereof, shall be dated as determined by the City Manager or the Chief Financial Officer, shall bear interest from such date payable on January 1 and July 1 of each year, commencing as determined by the City Manager or the Chief Financial Officer, and shall be fully registered bonds without coupons. The Obligations shall mature on July 1 in the years determined by the City Manager or the Chief Financial Officer but not later than the latest maturity of the Refunded Obligations.

The forms, terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange and number shall be as set forth in the Trust Agreement and are hereby approved.

The City Manager or the Chief Financial Officer is hereby authorized and directed to determine on behalf of the City by: (i) the principal amount of the Obligations; (ii) the final maturity schedule of the Obligations; (iii) the provisions for redemption in advance of maturity or payment of the Obligations; (iv) the interest rates on the Obligations; (v) the sales price and terms of the purchase of the Obligations (including the underwriter's discount and the original

issue discount or premium), (vi) the provisions for credit enhancement, if any, for the Obligations including a debt service reserve fund or surety bond; (vii) the provisions for a capitalized interest or contingency amount, if any, if deemed to be in the best interests of the City (vii) the selection of any or all of the 2007 Obligations to be refunded (the "Refunded Obligations") and (viii) the identity of the financial institution to serve as trustee under the Trust Agreement (the "Trustee").

The provisions for redemption of the Obligations shall be as set forth in the Trust Agreement.

The forms and other terms and provisions of the Obligations and the provisions for the signatures, authentication, payment, registration, transfer, exchange, and number shall be as set forth in the Trust Agreement and are hereby approved.

SECTION 6. The City Manager or the Chief Financial Officer are authorized to (i) determine whether the Obligations are to be sold pursuant to negotiated sale either to one or more underwriters as described in the Official Statement or to one or more financial institutions on a private placement basis and (ii) confirm such sale through the execution and delivery of a purchase agreement in a form similar to that executed and delivered in connection with the Excise Tax Bonds. The City Manager is hereby authorized to execute and deliver such agreement in such form and the City Clerk to attest such agreement approved as to form by the City Attorney, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such agreement being conclusive evidence of such approval.

SECTION 7. The forms, terms and provisions of the Basic Documents, in substantially the forms of such documents (including the exhibits thereto) on file with the City Clerk, are hereby approved. The City Manager or the Chief Financial Officer is hereby authorized and directed to execute and deliver, and the City Clerk of the City to attest, the Basic Documents which have been approved as to form by the City Attorney, with such insertions, omissions and changes as are necessary and consistent with this Ordinance, the execution of such documents being conclusive evidence of such approval and particularly of approval and acceptance of the covenants contained therein by the City Council of the City on behalf of the City.

SECTION 8. The City Manager or the Chief Financial Officer is authorized to enter into such agreements as he or she determines necessary in conjunction with obtaining bond insurance or a reserve fund surety bond, if any and which are necessary to carry out and comply with the terms, provisions, and intent of this Ordinance.

All actions of the City related to preparing and distributing the Preliminary Official Statement are hereby approved and ratified. The portions of the Official Statement regarding the Obligations which concern and describe the City are hereby approved and the City Manager is hereby authorized and directed to execute the same and any required certificates as to the accuracy and completeness of said Official Statement descriptions of the City.

SECTION 9. The Preliminary Official Statement in substantially the form submitted to the City is approved and the distribution of the same is hereby approved. The

Preliminary Official Statement is "deemed final" (except for permitted omissions), by the City as of its date for purposes of SEC Rule 15c212(b)(1) and a final official statement will be prepared and distributed to the Original Purchaser for purposes of SEC Rule 15c212(b)(3) and (4). The City Manager is authorized and directed to complete and sign on behalf of the City and in his or her official capacity, the Official Statement, with such modifications, changes and supplements as being necessary to carry out and comply with the terms, provisions, and intent of this Ordinance. The City Manager is authorized to use and distribute, or authorize the use and distribution of, the Official Statement and any supplements thereto as so signed in connection with the original issuance of the Obligations as may in his or her judgment be necessary or appropriate. The references to the City contained in the Preliminary Official Statement and such final Official Statement relating to the Obligations are hereby authorized and approved.

SECTION 10. The City Manager, the Chief Financial Officer and the Clerk of the City are hereby authorized and directed to do all such acts and things to execute, acknowledge and deliver all such documents (including, without limitation, tax compliance certificates, security agreements and financing statements, any amendments to such documents and all closing documents) as may in their discretion be deemed necessary or desirable to carry out and comply with the terms, provisions and intent of this Ordinance, and the Basic Documents and all exhibits to any of the foregoing. All of the acts of the officers of the City which are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and the same are hereby ratified, confirmed, and approved in all respects.

SECTION 11. The City covenants that it will use, and will restrict the use and investment of, the proceeds of the Obligations in such manner and to such extent as may be necessary so that (a) the Obligations will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Section 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) be treated other than as obligations to which Section 103(a) of the Code applies, and (b) the interest thereon will not be treated as a preference item under Section 57 of the Code. The City Manager or the Chief Financial Officer, or any other officer having responsibility for issuance of the Obligations shall, alone or with any other necessary officer or employee or consultant to the City, give an appropriate certificate of the City, for inclusion in the transcript of proceedings for the Obligations, setting forth (i) the reasonable expectations of the City regarding the amount and use of all the proceeds of the Obligations; (ii) the facts, circumstances and estimates on which the City's expectations are based; and (iii) other facts and circumstances relevant to the tax treatment of interest on the Obligations.

The City covenants (a) that it will take or cause to be taken such actions which may be required of it for the interest on the Obligations to be and remain excluded from gross income for federal income tax purposes, (b) that it will not take or authorize to be taken any actions which would adversely affect that exclusion and (c) that it, or persons acting for it, will, among other acts of compliance; (i) apply the proceeds of the Obligations to the governmental purpose of the borrowing; (ii) restrict the yield on investment property; (iii) make timely and adequate payments to the federal government; (iv) maintain books and records and make calculations and reports; and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The City Manager, the Chief Financial Officer, and other appropriate city officers are hereby authorized and directed to take any and all such

actions, make calculations and rebate payments, and make or give such reports and certifications, as may be appropriate to assure such exclusion of that interest.

SECTION 12. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 13. All orders and Ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order or Ordinance or any part thereof.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 24th day of November, 2014.

_____
MAYOR

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY ___, 2015

In the opinion of Greenberg Traurig, LLP, Special Counsel, under existing statutes, regulations, rulings and court decisions, and assuming compliance with certain tax covenants, the portion of each installment payment made by the City pursuant to the Second Purchase Agreement and denominated as and comprising interest pursuant to the Second Purchase Agreement and received by Owners of the Obligations (the "Interest Portion") will be excludible from gross income for federal income tax purposes, will not be an item of tax preference for purposes of the alternative minimum tax for individuals and corporations (but will be taken into account in determining adjusted current earnings for purposes of computing such tax imposed on certain corporations) and will be exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein for a description of certain federal tax consequences of ownership of the Obligations. See also "TAX MATTERS – Original Issue Discount and Original Issue Premium" herein.

NEW ISSUE - BOOK-ENTRY-ONLY **RATINGS: See "Ratings" herein**

$29,935,000*
City of Glendale, Arizona
Transportation Excise Tax Revenue Refunding Obligations, Series 2015

Obligations Dated: Date of Initial Delivery Due: July 1, as shown on the inside front cover page

The City of Glendale, Arizona Transportation Excise Tax Revenue Refunding Obligations, Series 2015 (the "Obligations") are to be issued by the City of Glendale, Arizona (the "City") for the purpose of (i) refunding certain prior obligations issued by the City and (ii) paying costs of issuance associated with the Obligations as more fully described in this Official Statement. The Obligations are issued only as fully registered obligations without coupons, in denominations of $5,000 or any integral multiple thereof.

The Obligations will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as a securities depository of the Obligations. Individual purchases of the Obligations will be made in book-entry form only and purchasers of the Obligations will not receive certificates representing their interest in the Obligations.

Interest on the Obligations is payable semiannually on January 1 and July 1 of each year commencing July 1, 2015* by check or draft mailed to the registered owner thereof. So long as Cede & Co. is the registered owner of the Obligations, the principal of and interest on each Obligation will be payable by The Bank of New York Mellon Trust Company, N.A. as the authenticating agent, registrar, transfer agent, and paying agent (the "Bond Registrar"), to DTC which is required, in turn, to remit such principal and interest to the DTC Participants, which are required, in turn, to remit such principal and interest to the Indirect DTC Participants or the Beneficial Owners of the Obligations, all as described herein.

The Obligations are subject to prepayment prior to their stated payment dates as described herein.

The Obligations will be undivided, proportionate interests in the installment payments (the "Payments") to be made by the City pursuant to a Second Purchase Agreement, dated as of February 1, 2015* (the "Purchase Agreement"), between the Trustee, as seller, and the City, as purchaser. The Payments are payable from and secured by a pledge of, and lien on, revenues derived by the City from collection of a dedicated 0.5% excise tax (the "Transportation Excise Taxes") for the funding of various improvements to the City's transportation system (the "System"). Such pledge is on parity to the lien and pledge of the revenues from the Transportation Excise Taxes to the 2007 Obligations (as defined herein) previously issued and remaining outstanding after the issuance of the Obligations in the amount of $56,820,000* and any obligations subsequently issued or incurred on a parity therewith. See "SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS." **The Obligations are not general obligations of the City, the State of Arizona or any political subdivision thereof, and neither constitute an indebtedness of the City when computing any limits imposed by constitutional, statutory or charter provisions nor a charge against the general credit or taxing power of the City, the State of Arizona or any political subdivision thereof nor a liability of the City, the State of Arizona or any political subdivision thereof for payment of the Obligations other than from the sources pledged therefore.**

PAYMENT SCHEDULE AND ADDITIONAL INFORMATION ON INSIDE FRONT COVER PAGE

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Obligations are offered, when, as and if certain conditions are satisfied and subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Greenberg Traurig, LLP and by the City Attorney of the City. Certain legal matters will be passed upon solely for the Underwriter by _____. It is expected that the Obligations will be available for delivery through the facilities of DTC in New York, New York, on or about February_____, 2015.

[Underwriters to Come]

Dated: January ____, 2015

* Preliminary, subject to change.

$29,935,000*
CITY OF GLENDALE, ARIZONA
TRANSPORTATION EXCISE TAX REVENUE REFUNDING OBLIGATIONS
SERIES 2015

MATURITY SCHEDULE*

Principal Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP(a) (378325)
2023	$3,325,000			
2024	4,815,000			
2025	5,055,000			
2026	5,310,000			
2027	5,575,000			
2028	5,855,000			

(a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriters, the Financial Advisor (as defined herein) or their agents or counsel take responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

CITY OF GLENDALE, ARIZONA

CITY COUNCIL

Jerry Weiers, Mayor
Yvonne J. Knaack – Vice Mayor, Barrel District
Ian Hugh – Councilmember, Cactus District
Manny Martinez – Councilmember, Cholla District
Norma Alvarez – Councilmember, Ocotillo District
Gary Sherwood – Councilmember, Sahuaro District
Sammy Chavira – Councilmember, Yucca District

CITY ADMINISTRATIVE OFFICERS

Brenda Fischer, City Manager
Julie Frisoni, Assistant City Manager
Jennifer Campbell, Assistant City Manager
Michael Bailey, City Attorney
Pam Hanna, City Clerk
Tom Duensing, CPA, Finance and Technology Director
Vicki Rios, Assistant Finance Director

SPECIAL SERVICES

SPECIAL COUNSEL

Greenberg Traurig, LLP
2375 East Camelback, Suite 700
Phoenix, Arizona 85016
(602) 445-8457

FINANCIAL ADVISOR

RBC Capital Markets, LLC
2398 East Camelback Road, Suite 700
Phoenix, Arizona 85016
(602) 381-5368

TRUSTEE AND DEPOSITORY TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, 4th Floor
Los Angeles, California 90071
(602) 629-2865

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Obligations by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement, and, if given or made, such information or representation must not be relied upon as having been authorized by the City of Glendale, Arizona (the "City") or the Underwriters. The information contained in this Official Statement has been obtained from the City and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by, any of the foregoing. The presentation of such information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representation of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. All forecasts, projections, assumptions, opinions or estimates are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

In accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriters have reviewed the information in this Official Statement, but does not guarantee the accuracy or completeness of such information. The delivery of this Official Statement shall not imply that the information herein is correct as of any time subsequent to the date hereof.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The Obligations are not expected to be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. The registration or qualification of the Obligations in accordance with the applicable provisions of securities laws of the states in which the Obligations have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Obligations or the accuracy or completeness of this Official Statement.

The City has undertaken to provide continuing disclosure with respect to the Obligations in accordance with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" and Appendix E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS FORWARD LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE DISCUSSED HEREIN.

The City posts financial information on its website www.glendaleaz.com/finance/. However, unless specifically incorporated by reference herein, the information presented on the website is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Obligations.

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$29,935,000*
CITY OF GLENDALE, ARIZONA
TRANSPORTATION EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2015

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the Appendices attached hereto, is being provided to furnish certain information concerning the offering by the City of Glendale, Arizona (the "City") of its $29,935,000* Transportation Excise Tax Revenue Refunding Obligations, Series 2015 (the "Obligations") which are being issued pursuant to a Second Trust Agreement, dated as of February 1, 2015* (the "Trust Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), in order to (a) refund in advance of maturity obligations previously issued by the City and (b) pay costs associated with the execution and delivery of the Obligations.

The Obligations will be undivided, proportionate interests in the installment (the "Payments") to be made by the City pursuant to a Second Purchase Agreement, dated as of February 1, 2015* (the "Purchase Agreement"), between the Trustee, as seller, and the City, as purchaser. The Payments are payable from and secured by a pledge of, and lien on, revenues derived by the City from collection of a dedicated 0.5% excise tax (the "Transportation Excise Taxes") for the funding of various improvements to the City's transportation system (the "System"). Such pledge is on parity to the lien and pledge of the revenues from the Transportation Excise Taxes to the City's Transportation Excise Tax Revenue Obligations, Series 2007 (the "2007 Obligations") previously issued and remaining outstanding after the issuance of the Obligations in the amount of $56,820,000* and any obligations subsequently issued or incurred on a parity therewith (collectively, the "Parity Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS." **The Obligations are not general obligations of the City, the State of Arizona (the "State" or "Arizona") or any political subdivision thereof, and neither constitute an indebtedness of the City when computing any limits imposed by constitutional, statutory or charter provisions nor a charge against the general credit or taxing power of the City, the State or any political subdivision thereof nor a liability of the City, the State or any political subdivision thereof for payment of the Obligations other than from the sources pledged therefore.**

Certain words and terms as well as certain capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such words and terms in Appendix C – "Summary of Certain Provisions of the Indenture and Purchase Agreement" hereto.

The execution and delivery of the Trust Agreement, the Purchase Agreement and the Obligations is authorized under the authority of Ordinance No. _____ enacted by the City Council of the City on November 24, 2014.*

Neither the Refinanced Project nor the physical assets of the System secures the City's obligation to make Payments under the Purchase Agreement. None of the Trustee or the registered owners of any Obligation has any right to exclude the City from the Refinanced Project or the System as a remedy upon the occurrence of an event of default under the Purchase Agreement, or to have the Refinanced Project or any portion of the System sold.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

Unless and until discontinued, the Obligations will be held in book-entry form by The Depository Trust Company, New York, New York ("DTC"), a registered securities depository, and beneficial interests therein may only be purchased and sold, and payments of principal of, premium, if any, and interest on the Obligations will be made only to beneficial owners, through participants in the DTC system. Beneficial interests in the Obligations will be made in the denominations described on the cover page hereof. See Appendix F – Book-Entry-Only System.

* Preliminary, subject to change.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statues or uncodified, or of the Arizona Constitution, are references to those provisions in their current form. Those provisions may be amended, repealed or supplemented.

This Official Statement contains descriptions of the Obligations, the Purchase Agreement and the Trust Agreement. The descriptions of the Obligations, the Purchase Agreement and the Trust Agreement and other documents described in this Official Statement do not purport to be definitive or comprehensive, all references to those documents are qualified in their entirety by reference to the form of those documents, and copies of drafts thereof are available from the City and the Financial Advisor prior to the delivery of the Obligations.

THE OBLIGATIONS

General Provisions

The Obligations will be dated as of the date of initial delivery. The Obligations will bear interest payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2015*, until maturity, at the rates set forth on the inside front cover page of this Official Statement. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

As described in Appendix F – Book-Entry-Only System, the Obligations, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Obligations, all payments on the Obligations and notices regarding the Obligations will be made directly to DTC.

Subject to the provisions summarized in Appendix F – Book-Entry-Only System, the principal of and premium, if any, on each Obligation will be payable at the designated office of the Trustee. Interest on each Obligation will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the fifteenth day of the month immediately preceding such Interest Payment Date or, if such date is not a business day, on the next succeeding business day (the "Regular Record Date") or the Trustee may agree with a registered Owner of $1,000,000 or more in aggregate principal amount of the Obligations for another form of payment.

If the Trustee fails to make payments or provision for payment of interest on the Obligations when due on any Interest Payment Date, that interest shall cease to be payable to the registered Holder of such Obligations as of the applicable Regular Record Date, and when monies become available for payment of that interest, the Trustee shall establish a Special Record Date for the payment of that interest, which shall be at least ten days prior to the proposed interest payment date, and notice of such Special Record Date shall be mailed to each Holder at least ten days prior to the Special Record Date.

Prepayment Provisions

Optional Prepayment. The Obligations, or portions thereof ($5,000 or any integral multiple thereof), maturing on and after July 1, 20__, will be subject to prepayment before their respective maturities, at the option of the City, on or after _____ 1, 20__, in whole or in part, at any time, from any maturity selected by the City, and by lot within a maturity, at a price equal to the principal amount of each Obligation, or portion thereof so prepaid, plus accrued interest thereon to the prepayment date.

Mandatory Prepayment. The Obligations maturing on July 1, 20__* will be subject to mandatory prepayment on July 1 of each of the years, by lot as described below, at the principal amounts thereof and accrued interest to the date fixed for prepayment, without premium, as follows:

Obligations Maturing on July 1, 20__*

Year	Principal Amount
20__	
20__	
20__	

* Preliminary, subject to change.

Obligations Maturing on July 1, 20__*

Year	Principal Amount
20__	
20__	
20__	
20__	

In lieu of prepaying Obligations pursuant to the mandatory prepayment provisions described above, the Trustee may, at the written request of the City, use such funds otherwise available under the Trust Agreement for prepayment of Obligations to purchase Obligations then subject to prepayment in the open market, such Obligations to be delivered to the Trustee for the purpose of cancellation.

Partial Prepayment Within a Maturity. Obligations of a single maturity to be prepaid in part will be selected by the Trustee by lot or in such other manner as the Trustee deems fair.

Conditional Optional Prepayment. If at the time of mailing of notice of an optional prepayment of Obligations, there has not been deposited with the Trustee moneys or Qualified Permitted Investments sufficient to prepay all Obligations subject to such prepayment, then such notice shall state that the prepayment is conditional upon the deposit of moneys or Qualified Permitted Investments sufficient for the prepayment with the Trustee not later than the opening of business on the prepayment date, and such notice will be of no effect and such Obligations shall not be prepaid unless such moneys or Qualified Permitted Investments are so deposited.

Prepayment Notice. At least 30 days but not more than 60 days before the prepayment date of any Obligations, whether such prepayment be in whole or in part, the Trustee shall cause a notice of any such prepayment to be mailed, postage prepaid, to the Owners. So long as Cede & Co., as nominee of DTC, is the registered owner of the Obligations, all notices of prepayment will be sent by the. Trustee only to Cede & Co., and delivery of notice of prepayment to the Direct Participants, if any, will be solely the responsibility of DTC. Such notice shall (i) identify the Obligations to be prepaid (specifying the CUSIP numbers therefore), (ii) specify the maturity date of the Obligations to be prepaid, the prepayment date and the prepayment price, (iii) set forth the name, address and telephone number of the person from whom information pertaining to the prepayment may be obtained, (iv) state that on the prepayment date the Obligations called for prepayment will be payable at the designated corporate trust office of the Trustee and that from the prepayment date interest on the Obligations called for prepayment will cease to accrue, and (v) state whether the prepayment is conditional.

Failure by the Trustee to give notice pursuant to the preceding paragraph above to any one or more of the securities depositories or information services named therein shall not affect the sufficiency of the proceedings for prepayment. Failure of the Trustee to give notice to an Owner of Obligations or any defect in such notice shall not affect the validity of the proceedings for prepayment of any other Obligations for which notice of redemption was given properly.

Effect of Calling for Prepayment

On or before the date fixed for prepayment, monies or Government Obligations (as defined herein) shall be deposited with the Trustee to pay the principal of and the interest accruing thereon to the prepayment date of the Obligations called for prepayment. On the date fixed for prepayment, notice having been given in the manner and under the conditions hereinabove provided, the Obligations or portions thereof called for prepayment shall be due and payable at the prepayment price provided therefore, plus accrued interest to such date. If monies or Government Obligations, or a combination of both, sufficient to pay the prepayment price of the Obligations to be prepaid, plus accrued interest thereon to the date fixed for prepayment, are held by the Trustee in trust for the Owners of Obligations to be prepaid, interest on the Obligations called for prepayment shall cease to accrue; such Obligations shall cease to be entitled to any benefits or security under the Trust Agreement or to be deemed Outstanding; and the Owners of such Obligations shall have no rights in respect thereof except to receive payment of the prepayment price thereof, plus accrued interest to the date fixed for prepayment.

Defeasance

If the Trustee (a) pays all of the outstanding Obligations when due, or (b) at or prior to maturity of all Obligations, has received in trust monies or Qualified Permitted Investments which are sufficient to pay the principal of, premium, if any, and interest on the Obligations, the lien of the Trust Agreement shall terminate with respect to the Obligations, except for the

*Preliminary, subject to change

obligation of the Trustee to make payments on the Obligations. See Appendix C – Summary of Certain Provisions of the Trust Agreement and Purchase Agreement.

Registered Owner

As stated above, the Obligations will be issued in fully registered form and will be registered in the name of Cede & Co. The City and the Trustee may deem and treat the person in whose name any Obligation shall be registered upon the books of the Trustee as the absolute owner thereof, whether such Obligation shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, the premium, if any, and the interest on the Obligations and for all other purposes; and all such payments shall be valid and effectual to satisfy and discharge the liability upon such Obligations to the extent of the sums so paid and neither the City nor the Trustee shall be affected by any notice to the contrary.

PLAN OF REFUNDING*

The proceeds received from the sale of the Obligations, net of amounts used to pay costs of issuance, will be used (i) to prepay on _____, 20__ the Obligations Being Refunded described below and (ii) to make a deposit into an irrevocable trust account (the "Trust Account") held by The Bank of New York Mellon Trust Company, N.A., as depository escrow agent (in such capacity, the "Depository Trustee") pursuant to a depository trust agreement (the "Trust Account") between the City and the Depository Trustee. Amounts held in the Trust Account, except for certain amounts held as cash, will be invested in obligations issued or unconditionally guaranteed by the United States of America ("Government Obligations"), maturing in amounts and bearing interest at rates which are calculated to be sufficient to pay the interest on and the principal or prepayment price of the outstanding obligations of the City set forth below (the "Obligations Being Refunded"). See "MATHEMATICAL COMPUTATIONS" herein.

Issue Series	Maturity Date (July 1)*	Coupon	Principal Amount Outstanding	Obligations to be Refunded*	Redemption Date (July 1)	CUSIP®(a) (_____)*
Series 2007	2023	5.00%	$4,585,000	$4,585,000	2017	
	2024	5.00%	4,815,000	4,815,000	2017	
	2025	5.00%	5,055,000	5,055,000	2017	
	2026	5.00%	5,310,000	5,310,000	2017	
	2027	5.00%	5,575,000	5,575,000	2017	
	2028	5.00%	5,855,000	5,855,000	2017	
			$31,195,000	$31,195,000		

(a) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright(c) 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriters, the Financial Advisor or the Trustee (each as defined herein) or their agents or counsel take responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

MATHEMATICAL COMPUTATIONS

Concurrently with the delivery of and payment for the Obligations, _____ (the "Verification Agent"), a firm of independent certified public accountants, will deliver to the City and the Trustee its verification report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of computations related to the Obligations and the Obligations Being Refunded. Such computations were prepared using certain information provided by _____ relating to the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when prepaid or prepaid, the principal, interest and applicable premiums on the Obligations Being Refunded.

The report of the Verification Agent will state that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in schedules provided to it by _____ and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Obligations will be applied as follows:

Sources of Funds:	
Principal Amount of Obligations	$
Net Original Issue Premium/(Discount)	
Total Sources	$
Uses of Funds:	
Deposit to Trust Account	$
Delivery Costs [(a)]	
Total Uses	$

[(a)] Costs related to the execution and delivery of the Obligations, including Underwriters' compensation.

SECURITY AND SOURCES OF PAYMENT FOR THE OBLIGATIONS

General

The Obligations are special, limited revenue obligations taking the form of undivided, participating, proportionate interests in the Payments. The obligation to make the Payments is limited to payment from revenues from the Transportation Excise Taxes and do not represent or constitute a general obligation of the City, the State, or any of its political subdivisions.

Under the terms of the Trust Agreement, an irrevocable trust will be administered by the Trustee for the equal and proportionate benefit of the Owners of the Obligations, which trust includes: (1) all right, title and interest of the Trustee, as seller, in the Purchase Agreement and the right to (a) make claim for, collect or receive all amounts payable or receivable thereunder, (b) to bring actions and proceedings thereunder or for the enforcement of such rights, and (c) to do any and all other things which the Trustee is entitled to do thereunder; (2) amounts on deposit from time to time in the funds created pursuant to the Trust Agreement; and (3) any and all other property of any kind hereafter conveyed as additional security for the Obligations. See Appendix C – "Summary Of Certain Provisions of the Trust Agreement and Purchase Agreement."

Pledge

The Payments are secured by a pledge by the City of revenues from the Transportation Excise Taxes approved by the voters of the City on November 6, 2001. The Transportation Excise Taxes are restricted to public transportation use, and are levied by the City upon persons on account of their business activities within the City. The amount of taxes due are

calculated by applying the 0.50% tax rate against the gross proceeds of sales or gross income derived from the business activities. Such taxes are collected by the City on a monthly basis.

The City previously pledged the revenues from the Transportation Excise Taxes to the repayment of the 2007 Obligations currently outstanding in the amount of $88,015,000*.

Payment of the Obligations will not be secured by the Refinanced Project and the Owners of the Obligations have no claim or lien on the refunding of the Obligations Being Refunded or any part thereof.

THE PAYMENTS WILL NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY NOR WILL THE CITY BE LIABLE FOR THE PAYMENTS FROM AD VALOREM PROPERTY TAXES. PURSUANT TO THE TRUST AGREEMENT, THE OBLIGATIONS WILL BE SPECIAL, LIMITED REVENUE OBLIGATIONS, PAYABLE SOLELY FROM THE PAYMENTS MADE PURSUANT TO THE PURCHASE AGREEMENT. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND WILL NOT REPRESENT OR CONSTITUTE A DEBT OR A DIRECT OR INDIRECT PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF.

Reserve Fund; Funding Conditional

The Refunded Trust Agreement establishes a Reserve Fund to secure payment of the 2007 Obligations, the Obligations and any Additional Parity Obligations for which a separate reserve fund is created, on a pro rata basis, but provides that no deposits need to be made into the Reserve Fund if the Transportation Excise Taxes collected for the preceding Fiscal Year are at least 1.75 times the highest combined Debt Service (as defined below) on all Parity Obligations for the current or any future Fiscal Year. In the event that the Transportation Excise Taxes collected for the preceding Fiscal Year are less than 1.75 times the highest combined Debt Service on all Parity Obligations for the current or any future Fiscal Year, the City is required to deposit into the Reserve Fund, on the first day of each month, one thirty-sixth (1/36) of such highest combined annual Debt Service on the Parity Obligations, except for any Parity Obligations for which a separate reserve fund is established or for which no reserve fund is required, until the amount in the Reserve Fund equals the Reserve Fund Requirement. Notwithstanding the foregoing, the provisions in the Refunded Trust Agreement and the Trust Agreement relating to the Reserve Fund will be effective only (i) upon determination that the Reserve Fund is required to be funded as described above and (ii) so long as the 2007 Obligations remain outstanding.

Transportation Excise Taxes

The Transportation Excise Taxes are calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities shown in the table below.

Table 1
Taxes By Category

Advertising	Amusement	Apartments/Rooming Houses
Auto Rentals	Commercial Rentals	Contracting
Motel/Hotel	Leasing/Rental of Tangible Personal Property	Parking Facilities
Printing	Publishing	Restaurant and Bars
Retail (including food sales)	Short-Term Car Rental	Trailer Courts
Transportation	Utilities and Telecommunication	

Other City Sales Taxes

The City's total sales tax rate for most categories is presently 2.9%. Of the total tax rate, .5% (one-half of one percent) approved on April 14, 1994 and September 11, 2007 is dedicated to public safety (the "Public Safety Tax") and 0.5% (one-half of one percent) approved on November 6, 2001 is dedicated to transportation (the "Transportation Tax"). The City Council approved a 0.7% increase in the City's excise tax on June 12, 2012. This increase was implemented on August 1, 2012. Revenues from the Public Safety Tax and the City Tax do not constitute part of the Transportation Excise Taxes which the City has pledged in the Purchase Agreement for payment of the Obligations.

* Preliminary, subject to change.

The following table sets forth the revenues from the Transportation Excise Taxes for the last five fiscal years.

Table 2
Transportation Excise Tax Revenues (in thousands)[1]
City of Glendale, Arizona

Fiscal Year	2009	2010	2011	2012	2013	2014[2]
Transportation Excise Tax Revenues	$20,875	$19,488	$19,486	$20,665	$21,691	$22,919
Percent Growth		-6.6%	0%	6.1%	5%	5.7%

[1] Represents Transportation Excise Tax Revenues and does not include Public Safety Tax or unrestricted City Tax.
[2] Unaudited. Audited financial statements for June 30, 2014 are expected to be available in December 2014.

Source: City of Glendale, Arizona

The following table sets forth the percentage of the City's payment obligations secured by the revenues from the Transportation Excise Taxes.

Table 3
Transportation Excise Tax Revenues and Debt Service Requirements
City of Glendale, Arizona

Fiscal Year Ending July 1	Transportation Excise Tax Revenues (1)	Outstanding Parity Obligations (2)	Obligations		Total Debt Service Requirement	Coverage (4)
			Principal	Interest (3)		
2013	$21,691,000					
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						

(1) Represents audited 2013 Transportation Excise Tax Revenues; does not include Public Safety Tax or City Tax.
(2) Net of the Obligations Being Refunded.
(3) Interest on the obligations is estimated at _____%. The first interest payment date on the obligations is July 1, 2015*.
(4) Coverage based upon annual debt service compared to audited Transportation Excise Taxes collected for the 2012-2013 fiscal year.

Source: City of Glendale Finance Department

* Preliminary, subject to change.

Purchase Agreement Covenants Pertaining to the Transportation Excise Taxes

To the extent permitted by applicable law, the revenues from the Transportation Excise Taxes shall be retained and maintained so that the amounts actually collected from the revenues from the Transportation Excise Taxes, all within the most recently completed Fiscal Year, as certified by the Chief Financial Officer of the City, shall have been equal to at least one and one-half (1.5) times the total of interest and principal requirements for the current Fiscal Year for the Purchase Agreement and all other Parity Lien Obligations. If the revenues from the Transportation Excise Taxes for any such Fiscal Year shall not have been equal to at least one and one-half (1.5) times the total of the interest and principal requirements for the current Fiscal Year, the Purchase Agreement and all other Parity Lien Obligations or if at any time it appears that the revenues from the Transportation Excise Taxes will not be sufficient to meet such requirements, the City shall, to the extent permitted by applicable law, impose new exactions of the type of Transportation Excise Taxes or increase the rates for the Transportation Excise Taxes which will be part of the Transportation Excise Taxes or increase the rates for the Transportation Excise Taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each Fiscal Year in order that (a) the revenues from the Transportation Excise Taxes will be sufficient to meet all requirements under the Purchase Agreement and (b) the revenues from the Transportation Excise Taxes will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

Additional Parity Obligations

In the Purchase Agreement, the City covenants and agrees that, so long as any of the Obligations remain outstanding and the principal and interest thereon shall be unpaid or unprovided for, it will not further encumber the Transportation Excise Taxes on a parity basis unless the Transportation Excise Taxes collected in 12 consecutive months out of the 18 months immediately preceding the issuance of the Additional Parity Obligations shall have amounted to at least two (2) times Maximum Annual Debt Service for any succeeding Fiscal Year for all Obligations and Additional Parity Obligations, including the Parity Obligations then proposed to be secured by a pledge of the Transportation Excise Taxes. Subject to the foregoing and the other terms and conditions of the Purchase Agreement, the City shall have the right to issue future obligations payable from and secured by the Transportation Excise Taxes on parity with the Obligations.

For purposes of the Refunded Trust Agreement and the Trust Agreement, "Maximum Annual Debt Service" means an amount of money equal to the highest aggregate Principal Requirement and interest requirements of all Outstanding Parity Obligations and any periodic fees paid to any providers of a Credit Facility related to such bonds or obligations to fall due and payable in the current or any future Fiscal Year. For a description of certain adjustments applicable to the determination of Maximum Annual Debt Service with respect to Parity Obligations bearing interest at other than a fixed rate, see Appendix C – Summary of Certain Provisions of the Trust Agreement – The Trust Agreement."

In addition to the Obligations, the City anticipates issuing approximately $___ million of additional Transportation Excise Tax Revenue Obligations over the next five years.

Subordinate Obligations

Neither the Purchase Agreement nor the Trust Agreement places any restriction on the City's ability to issue or incur additional obligations that are payable from and secured by a pledge of the revenues from the Transportation Excise Taxes on a basis subordinate and junior to the pledge of such taxes securing the Obligations and any the revenues from the Parity Obligations.

LITIGATION

The City is a party to various lawsuits and subject to various claims incidental to the ordinary course of its operations. In the opinion of City management, based on the advice of the City Attorney, while the City is subject to substantial claims City management believe that sufficient contractual indemnification, stop loss insurance, and other resources are sufficient such that none of the presently pending lawsuits or claims will, if decided adversely to the City, have a material adverse affect on the financial condition of the City or its property tax collections.

To the knowledge of the City and the City Attorney, no litigation or administrative action or proceeding is pending or overtly threatened restraining or enjoining, or seeking to restrain or enjoin, the execution, delivery or performance of the Obligations or the Purchase Agreement by the City or contesting or questioning the proceedings and authority under which the Obligations and the Purchase Agreement will be executed or delivered, or the validity of the Obligations or the Purchase Agreement. Certificates of appropriate representatives of the City to that effect will be delivered at the time of the delivery of the Obligations.

LEGAL MATTERS

Legal matters incident to the issuance of the Obligations and with regard to the tax status of the interest thereon (see "TAX MATTERS") are subject to the legal opinion of Greenberg Traurig, LLP, Special Counsel. Signed copies of the opinion, dated and speaking only as of the date of delivery of the Obligations will be delivered to the Underwriter. The proposed form of the legal opinion is set forth as Appendix D. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distributions of it by recirculation of this Official Statement or otherwise shall create no implication that Special Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date. In rendering its opinion, Special Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings which Special Counsel will not have independently verified.

The due authorization, execution, and delivery by the City, and the validity and enforceability against the City, of the Trust Agreement and the Purchase Agreement and certain other legal matters will be passed upon for the City by Greenberg Traurig, LLP, Special Counsel and by the City Attorney of the City. Certain legal matters will be passed upon solely for the Underwriters by _____.

The legal opinions express the professional opinion of counsel rendering them, but are not binding on any court or other governmental agency and are not guarantees of a particular result.

TAX MATTERS

General

In the opinion of Special Counsel, under existing statutes, regulations, rulings and court decisions, the portion of each of the Payments made by the City pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") will be excludible from gross income for federal income tax purposes pursuant to Section 103(a) of Internal Revenue Code of 1986, as amended ("the Code"), will not be treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations (but will be taken into account in determining adjusted current earnings for purposes of computing such tax imposed on certain corporations) and will be exempt from Arizona income taxation so long as the Interest Portion is excludable from gross income for federal income tax purposes. Special Counsel expresses no opinion as to the treatment for federal or Arizona income tax purposes on the Interest Portion as to any other tax consequence relating to the Obligations.

The Code prescribes a number of qualifications and conditions for such interest to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the City to the federal government, require future or continuing compliance after delivery of the Obligations in order for the Interest Portion to be and to remain so excluded from the date of execution and delivery. Such opinion on such tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain continuing covenants of the City contained in documents which are part of the transcript of proceedings for the Obligations and which are intended to evidence and assure that the Interest Portion will remain excluded from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of the certifications and representations, or compliance with the covenants, made by the City. Noncompliance with these requirements could cause the Interest Portion to be included in gross income for federal income tax purposes and to be subject to federal and Arizona income taxation retroactive to the date of execution and delivery of the Obligations. The City has covenanted in the Purchase Agreement to take all such actions that may be required of them for the Interest Portion to be and remain excluded from gross income for federal income tax purposes and not to take any actions that would adversely affect that exclusion.

Prospective purchasers of the Obligations should be aware that the ownership of the Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations or, in the case of a financial institution, that portion of an owner's interest expense allocable to interest on an Obligation; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including the Interest Portion; (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States of America for purposes of the branch profits tax; (iv) the inclusion of the Interest Portion in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion in

gross income of the Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these other tax consequences.

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of the Interest Portion, adversely affect the market price or marketability of the Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would apply to the Obligations. If enacted into law, such legislation could affect the market price or marketability of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of any proposed or pending legislation.

Special Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Special Counsel as of the date thereof. Special Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Special Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Special Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Obligations, as indicated on the inside front cover page of this Official Statement ("Discount Obligations"), were offered and will be sold to the public at an original issue discount ("Original Issue Discount"). Original Issue Discount is the excess of the stated prepayment price at payment (the principal amount) over the "issue price" of a Discount Obligation. The issue price of a Discount Obligation is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Obligations of the same payment will be sold pursuant to that offering. For federal income tax purposes, Original Issue Discount accrues to the owner of a Discount Obligation over the period to payment date based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of Original Issue Discount that accrues during the period of ownership of a Discount Obligation (i) will be interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) will be added to the owner's tax basis for purposes of determining gain or loss on the payment, prepayment, prior sale or other disposition of that Discount Obligation. A purchaser of a Discount Obligation in the initial public offering at the price for that Discount Obligation stated on the cover of this Official Statement who holds that Discount Obligation to payment date will realize no gain or loss upon the retirement of that Discount Obligation.

Certain of the Obligations, as indicated on the inside front cover page of this Official Statement (the "Premium Obligations"), were offered and will be sold at an "issue price" in excess of their stated prepayment price at payment. That excess constitutes obligation premium. The issue price of a Premium Obligation is the initial offering price to the public (other than bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Premium Obligations of the same payment date is sold pursuant to that offering. For federal income tax purposes, obligation premium is amortized over the period to payment date of a Premium Obligation, based on the yield to payment date of that Premium Obligation (or, in the case of a Premium Obligation callable prior to its stated payment date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Obligation), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that obligation premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner's gain or loss on the sale, prepayment (including prepayment at payment date) or other disposition of a Premium Obligation, the owner's tax basis in the Premium Obligation is reduced by the amount of obligation premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation. A purchaser of a Premium Obligation in the initial public offering at the price for that Premium Obligation stated on the cover of this Official Statement who holds that Premium Obligation to payment date (or, in the case of a callable Premium Obligation, to its earlier call date that results in the lowest yield on that Premium Obligation) will realize no gain or loss upon the retirement of that Premium Obligation.

Owners of Discount Obligations and Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of Original Issue Discount or obligation premium properly accruable in any period with respect to the Discount Obligations or Premium Obligations and as to other federal tax consequences, and the treatment of Original Issue Discount and obligation premium for purposes of state and local taxes on, or based on, income.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Obligations is subject to information reporting to the Internal Revenue Service. This reporting requirement does not affect the excludability of interest on the Obligations from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Obligations and proceeds from the sale of the Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Obligations. This withholding generally applies if the owner of the Obligations (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Obligations may also wish to consult with their own tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

INDEPENDENT AUDITORS

The financial statements of the City as of June 30, 2014 and for its fiscal year then ended, which are included as Appendix B of this Official Statement, have been audited by Clifton Larson Allen LLP, Independent Auditors, as stated in their report which appears in Appendix C.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is serving as financial advisor to the City in connection with the Obligations. The Financial Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the 2015 Obligations. RBC Capital Markets, LLC has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by RBC Capital Markets, LLC respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

The Obligations are being purchased for reoffering by _____, _____, and _____ (the "Underwriters") The Underwriters have agreed to purchase, subject to certain conditions, the Obligations at an aggregate purchase price of $_____, consisting of the principal amount thereof plus a net reoffering premium of $_____ and less an underwriter's discount of $_____. The Underwriters will commit to purchase all of the Obligations if any are purchased. The Obligations are offered for sale initially at the approximate yields set forth on the inside front cover page of this Official Statement, which yields may be changed, from time to time, by the Underwriters. The Obligations may be offered and sold to certain dealers (including underwriters and dealers depositing the Obligations into investment trusts) at prices lower than the public offering price.

In the ordinary course of its business, the Underwriters and certain of its affiliates have engaged, and may in the future engage, in investment banking, banking or other transactions with the City.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the beneficial owners of the Obligations to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2016, (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports and Notices of Listed Events will be filed by the City with the Electronic Municipal Market

Access system of the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is set forth in Appendix E – "Form of Continuing Disclosure Undertaking". These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5) (the "Rule"). A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price and marketability.

[The City previously entered into continuing disclosure undertakings with respect to certain previously issued Senior Excise Tax Obligations, Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded, which require the filing on or before February 1 of each year of audited financial statements and annual updates with respect to certain financial information and operating data related to the City. The following filings were not made timely:

1. The Annual Report for fiscal year ended June 30, 2010, due February 1, 2011, was not filed properly by CUSIP for the Senior Excise Tax Obligations, the Subordinate Excise Tax Obligations and the 2008 PFC Bonds Being Refunded.

2. The Annual Reports for fiscal years ended June 30, 2009, June 30, 2010 and June 30, 2011, due February 1, 2010, February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2003D Subordinate Excise Tax Bonds.

3. The Annual Reports for fiscal years ended June 30, 2010 and June 30, 2011, due February 1, 2011 and February 1, 2012, respectively, were not filed properly by CUSIP for the 2002B Subordinate Excise Tax Bonds.

The City filed such financial information and operating data on or prior to November 27, 2012 through EMMA. In addition, the City is working to put in place procedures that it intends all future filings of the City's Annual Reports and Notices of Listed Events will be filed in a timely manner. Otherwise, the City is in material compliance with all previous continuing disclosure undertakings entered into pursuant to the Rule for the previous five years.]

CERTIFICATION CONCERNING OFFICIAL STATEMENT

The closing documents will include a certificate confirming that, to the best knowledge, information and belief of the City's Chief Financial Officer, the description and statements contained in this Official Statement are, at the time of issuance of the Obligations, true, correct and complete in all material respects and do not contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein in order to make the statements, in light of the circumstances under which they are made, not misleading. In the event this Official Statement is supplemented or amended, the foregoing confirmation will also encompass such supplements or amendments.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("Standard and Poor's") have assigned the Obligations uninsured long-term ratings of "____" (_____ outlook) and "_____" (_____ outlook), respectively. Such ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agencies furnishing the ratings. Explanations of the ratings may be obtained from Standard & Poor's at 55 Water Street, New York, New York 10004, and from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10041. Such rating agencies were provided with materials relating to the City and the Obligations and other relevant information, which includes information not included in this Official Statement, and no application has been made to any other rating agency for the purpose of obtaining a rating on the Obligations. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Obligations.

POLITICAL DONATIONS

Neither Special Counsel nor the Financial Advisor or their respective employees are known to have made political contributions to any person seeking a seat on the City Council at its last election.

ADDITIONAL INFORMATION

Additional information is available from the City of Glendale Finance and Technology Director, Municipal Complex, 5850 West Glendale Avenue, Glendale, Arizona 85301 (623-930-2480).

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Second Trust Agreement and the Second Purchase Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents. For further information, reference should be made to the complete documents, copies of which are available as described under "INTRODUCTION."

All projections, forecasts and other information in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. Neither this Official Statement nor any statements that may have been or that may be made orally or in writing are to be construed as part of a contract or agreement between the City or the Underwriters and the purchasers or holders of any of the Obligations. The attached Appendices A through F are integral parts of this Official Statement and must be read together with all of the foregoing statements.

CITY OF GLENDALE, ARIZONA

By: _____
City Manager

APPENDIX A

CITY OF GLENDALE, ARIZONA
GENERAL AND FINANCIAL INFORMATION

General

The City of Glendale, Arizona (the "City" or "Glendale") is the fifth largest city by population in the State of Arizona and is located in the northwest portion of the Phoenix metropolitan area. The City is one of eight major cities comprising the greater Phoenix metropolitan area, which is Arizona's economic, political, and population center.

Founded in 1892 and incorporated in 1910, the City has an estimated 2013 population of 231,109. The following table illustrates Glendale's growth expressed by population statistics for the City along with the population statistics for Maricopa County, Arizona (the "County") and the State of Arizona, (the "State" or "Arizona") respectively.

Population Statistics

Year	City of Glendale	Maricopa County	State of Arizona
2013 Estimate (a)	231,109	3,944,859	6,581,054
2010 Census	226,721	3,817,117	6,392,017
2005 Special Census	242,369	3,700,516	6,044,985
2000 Census	218,812	3,072,149	5,130,632
1995 Special Census	172,684	2,355,900	4,307,150
1990 Census	148,134	2,122,101	3,665,305
1985 Special Census	122,392	1,829,500	3,187,000
1980 Census	97,172	1,509,262	2,716,333
1970 Census	36,228	971,228	1,775,399

(a) Population estimates as of July 1, 2013 (released December 2013) provided by the Office of Employment and Population Statistics, Arizona Department of Administration.

Source: U.S. Census Bureau; City of Glendale, Arizona Planning Department.

Along with population growth, the City has also grown in terms of land area as evidenced by the following table which illustrates the City's square mile statistics.

Square Mile Statistics
City of Glendale, Arizona

Year	Square Miles
2014	59.98
2010	59.02
2000	54.60
1990	50.09
1980	39.94
1970	16.83
1960	3.80

Source: City of Glendale Planning Department.

Municipal Government and Organization

The City operates under and is governed by the Council-Manager form of government, in accordance with its Charter. In addition, under the Arizona Constitution, the City may exercise all powers of local self-government to the extent it is not in conflict with applicable general laws. The City is also subject to certain general laws that are applicable to all Arizona cities.

Legislative authority is vested in a seven-member City Council consisting of a mayor elected at large and six council members elected based on a system of geographic districts. Council members serve a term of four years on a staggered basis and the Mayor is elected for a four-year term. The Council fixes compensation of officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades and other municipal purposes and appoints the City Manager, the City Clerk, the City Treasurer, municipal judge and assistant municipal judge and the City Attorney. The Council also appoints members to a number of City boards and commissions.

Key Administrative Staff

Brenda Fischer, *City Manager* – Brenda Fischer has been the Glendale City Manager since July 2013. She has nearly 20 years of municipal experience with management expertise in public administration, finance, human resources, intergovernmental relations, economic development, strategic planning, labor relations and public information.

Since being appointed by the Glendale City Council, Fischer has implemented a five year budget forecast and presented short-term budget solutions without layoffs or reductions in service to the community. She also reorganized the City's structure and operations resulting in a streamlining of the organization that has increased productivity, efficiency and created future cost savings. Fischer is also known for being pro-active within the business community by outreaching with regular communication to local business and community leaders including sharing city information via a monthly City Manager report.

Prior to coming to Glendale, Fischer managed the City of Maricopa from 2011 to 2013 and also worked in city government as a Deputy City Manager in Glendora, California and spent 15 years in management positions in southern Nevada working for the cities of Henderson and North Las Vegas.

Fischer is a credentialed city manager from the International City/County Management Association (ICMA) and a member of the Arizona City/County Management Association. She has a master's degree in public administration from the University of Nevada, Las Vegas and a bachelor's in journalism/public relations with a sports information emphasis from the University of Southern California.

Michael Bailey, *City Attorney* - Michael D. Bailey is the City Attorney for the City of Glendale Arizona. Mr. Bailey is licensed to practice law in Arizona and California. Mr. Bailey holds a bachelor's degree of Science in Business Administration and a Juris Doctorate from Chapman University. Additionally, Mr. Bailey holds a Masters in Public Administration from American Public University. Prior to serving Glendale, Mr. Bailey was the City Attorney for the City of Surprise Arizona.

Tom Duensing, *Chief Financial Officer* - Tom Duensing has over 23 years of government finance experience. Since October of 2013, Mr. Duensing has been serving as the Finance and Technology Director for the City of Glendale. Prior to working in Glendale, he served at the City of Tempe and the City of Maricopa in various financial roles including Accounting Supervisor, Deputy Finance Director, City Auditor, Finance Director and Assistant City Manager. Mr. Duensing has also worked as an auditor in public accounting specializing in local government auditing and in the Arizona Governor's Office where he was responsible for grants administration. Mr. Duensing holds a B.S. in Accounting, an M.B.A., and is a Certified Public Accountant. He is a member of the Government Finance Officers Association of Arizona, the Government Finance Officers Association, the American Institute of Certified Public Accountants, and the Arizona Society of Certified Public Accountants.

Vicki Rios, *Assistant Finance Director* - Ms. Rios has 17 years of government finance experience. Since December of 2013, Ms. Rios has been serving as the Assistant Finance Director for the City of Glendale. Prior to working in Glendale, Ms. Rios served as Deputy Finance Director and Interim Treasurer for the City of Phoenix and held progressively responsible positions with the City of Peoria, Arizona including her most recent position as Revenue Manager. Since 2002, Ms. Rios has been an adjunct professor at Arizona State University and Glendale Community College. Ms., Rios is also the Chairperson of the Certification Advisory Committee for the Arizona State Board of Accountancy. She holds a Bachelor's degree, a Post-Baccalaureate Certificate in Accountancy, an M.B.A, and is a Certified Public Accountant. She is recognized as a Certified Public Finance Officer (CPFO) and is a member of the Government Finance Officers Association of Arizona and the Arizona Society of Certified Public Accountants.

Employees

As of June 30, 2014, the City had approximately 1,592 full-time and part-time employees and a fiscal 2014 gross payroll of $154.5 million. The City Council establishes salaries, wages and other economic benefits for City employees. In 2005, the City Council enacted an ordinance allowing certain members of the City's Fire Department and Police Department to be represented by employee organizations. City management is authorized to meet and confer with the employee organizations on specific matters, including wages, working conditions, and non-healthcare related benefits.

Economy

As Arizona's fifth largest city with a population of over 230,000 and a median household income of $57,481 the City is an economic engine of the Greater Phoenix West Valley, bordering the City of Phoenix on its eastern/southern borders. From its beginnings as an early farming settlement in the 1880's, to a military center of excellence after World War II, it has now evolved into the major sports, healthcare, education and corporate employment center.

As a result of the City's strategic location within the County and the Phoenix MSA, its economic efforts toward a business-friendly environment and its amenities and workforce attractiveness, the City has had a number of significant business investments in recent years, including: Despite the budgetary challenges addressed in this year's process, economic activity continues to thrive throughout the City. A number of major business developments and initiatives will have positive implications for Glendale's economy. City staff has facilitated more than 2,700 new jobs for Glendale this year, which is expected to result in the occupancy of 1.7 million new and existing square feet of office, industrial and retail space. This brings the grand total to more than 10,600 jobs created in the last six years alone – nearly 7,000 from new companies to Glendale and more than 3,600 jobs from existing companies. Newly-located businesses in Glendale include: NPL (Northern Pipeline), Harvard Drug, American Furniture Warehouse, Mattamy Homes, The Pain Center of Arizona, Canyon State Bus, Hensley Distribution, Avanti Windows, Empereon Marketing, New West Oil, Lockheed Martin, Glendale Ironwood Cancer Research Center, and Banner Health.

Several Key Economic Corridors within the City include the Northern Economic Corridor, Historic Downtown, and the 101 Economic Corridor and Loop 303.

Northern Economic Corridor.

Arrowhead Towne Center/Bell Road Retail Corridor – mixed use master planned community with residential, employment, recreation, shopping and dining. Approximately 1/3 of the City's retail sales tax revenues are generated in this area.

Midwestern University – 143 acre Glendale campus has been developed over the past decade. The campus offers state-of-the-art practice labs, lecture halls, and classrooms, as well as a comprehensive library and outpatient clinics. The campus has over _____ graduate students and offers five major programs currently and is the largest medical school in the State: The Arizona College of Osteopathic Medicine, College of Pharmacy, College of Health Sciences, College of Optometry, and the College of Dental Medicine – Arizona. Midwestern has also announced that they will be building Arizona's first-ever school of veterinary medicine, to be completed in 2014. [RBC TO UPDATE]

Banner Thunderbird Medical Center –They are currently the fourth largest hospital in the Phoenix metropolitan area with 561 licensed beds and nearly 3,000 employees.

Honeywell Aerospace – The Glendale facility of Honeywell Aerospace is one of the City's larger private employers with over 1,100 employees.

AAA Glendale Operations Center – a major information technology and customer service center in the City with over 1,300 employees.

Glendale's Historic Downtown.

Glendale Civic Center – Located in the heart of historic downtown, the Glendale Civic Center offers 33,000 square feet of indoor and outdoor meeting space for corporate events, trade shows, weddings and private parties.

Murphy Park/Caitlin Court - "The Downtown Dining District," "The Arts and Culture District," "The Old Towne Shopping District," and "Antiques Capital of Arizona."

Saguaro Ranch Park –Preserving one of the Valley's oldest and most magnificent ranches, the 17-acre Saguaro Ranch Park Historic Area features 13 original buildings, a rose garden, barnyard and historic orchards. Listed on the National Register of Historical Places and known as the "Showplace of the Valley," the Saguaro Ranch Park Historic Area offers activities, exhibits and guided tours—keeping the history of early settlement in the Valley alive.

Glendale's 101 Economic Corridor.

Westgate City Center – Westgate City Center offers a vibrant outdoor setting with unique water features, delivering an interactive shopping, dining and entertainment experience. It is anchored by Jobing.com Arena, home of the Phoenix Coyotes, and the University of Phoenix Stadium, home to the Arizona Cardinals. Some of the major business located within Westgate City Center, are:

(i) Gila River Arena / Arizona Coyotes – Owned by the City of Glendale, Gila River Arena (the "Arena") is home to the National Hockey League's Arizona Coyotes (the "Coyotes" or the "Team").

(ii) Tanger Factory Outlets Westgate – After breaking ground in April 2012, the Tanger Outlets at Westgate project opened in November 2012. Located just west of the Westgate city center along the Loop 101 in the Sports and Entertainment District, the newly built 368,000 square feet of space is now home to 85 top name-brand shops, such as Abercrombie & Fitch, Banana Republic, Brooks Brothers, Michael Kors, Nike and Coach.

(iii) Cabela's - In addition to offering quality outdoor merchandise, the 160,000 sq. ft. showroom is an educational and entertainment attraction, featuring a décor of museum-quality animal displays, huge aquariums and trophy animals interacting in realistic re-creations of their natural habitats.

(iv) University of Phoenix/Cardinal's Stadium – The primary tenants in the stadium include the NFL's Arizona Cardinals and the annual college football Fiesta Bowl. The 63,400-seat stadium will host the upcoming 2015 Super Bowl and the 2015 NFL ProBowl after successfully hosting the championship game in 2008.

Dignity Health – St. Joseph's Westgate Medical Center is a not-for-profit, 24 bed inpatient hospital that opened on May 13, 2014. The medical campus and hospital features new approaches to healthcare. The campus utilizes the most innovative uses of materials to promote patient safety, patient satisfaction and medical efficiency. St. Joseph's Westgate provides two operating rooms, two procedure rooms, a 12 bed emergency room and 12 universal care beds. Services included general surgery, orthopedics, urology, gastrointestinal and endoscopy.

Camelback Ranch - Located just across the Loop 101 from Glendale's Sports and Entertainment District, Camelback Ranch is the Spring Training home of the Los Angeles Dodgers and Chicago White Sox.

Glendale's Future Economic Corridor – the Loop 303.

Luke Air Force Base - Luke Air Force Base is one of Glendale's, and the West Valley's, primary economic drivers, located just east of the Loop 303. Luke was officially annexed into the City of Glendale in 1995 and is considered the economic center of both the Loop 303 corridor and the West Valley. The base population includes about 4,830 military members and Department of Defense civilians. With about 70,000 retired military members living in greater Phoenix, the base services a total population of nearly 80,000 people. Approximately 300 pilots train at Luke annually and proceed to combat assignments throughout the world. The 56th Fighter Wing also trains more than 350 maintenance technicians each year. The base has an economic impact of $2.17 billion annually to the Arizona economy and recently celebrated the opening of its F-35 Lightning II Academic Training Center.

The new facility will provide state-of-the-art training for fighter pilots and continue Luke's mission to train the world's best fighter pilots. The F-35 is the world's most advanced multi-role fighter and will replace aging fighter inventories in the Air Force, Navy and Marines.

Glendale 2025, the City's General Plan, identifies future land uses for this area that are compatible with Luke Air Force Base and captures appropriate land uses adjacent to the Loop 303. Much of the land in this area is located within the 65-decibel noise contours for Luke with the goal of continuing to protect Air Force operations.

The City has a diverse employer base. The following is a list illustrating major employers in the City.

Major Employers
City of Glendale, Arizona
as of June 30, 2014

Employer	Service	Approximate Number of Employees
Luke Air Force Base	Military	5,610
Banner Thunderbird Health System	Health Care	2,900
Arrowhead Towne Center	Retail	2,500
Wal-Mart	Retail	2,175
Glendale Union High School District	Education	1,944
Glendale Community College	Education	1,790
Glendale Elementary School District	Education	1,608
AAA	Insurance	1,000
City of Glendale	Government	1,592
Arrowhead Hospital	Health Care	1,010

Source: City of Glendale, Arizona.

The following table compares the City's unemployment averages with those of the United States, the State and the County for the last five years.

Unemployment Averages

Year	United States	State of Arizona	Maricopa County	City of Glendale
2014 [(a)]	6.3%	7.1%	6.0%	6.1%
2013	7.4	8.0	6.7	6.9
2012	8.1	8.3	7.2	7.7
2011	8.9	9.4	8.5	8.9
2010	9.6	10.4	9.6	9.9
2009	9.3	9.8	9.0	9.3

[(a)] As of September, 2014.

Source: Arizona Department of Economic Security, Research Administration, Economic Analysis; US Department of Labor, Bureau of Labor Statistics.

Construction

The following tables depict building permit activity and value for residential and non-residential construction in the City, in addition to new housing starts in the City. It is anticipated that residential construction will continue on a slight downward trend as Glendale approaches build-out. If Glendale is successful in annexing properties in the Loop 101 Corridor and the Loop 303 Corridor, residential build-out may occur between 2020 and 2025.

Value of Building Permits
City of Glendale, Arizona

Fiscal Year	Residential	Commercial & Industrial	Other[(a)]	Total
2014	$42,250,810	$109,564,039	$51,825,857	$203,640,706
2013	81,624,695	110,568,843	79,288,170	271,481,707
2012	99,977,051	48,425,681	54,837,384	302,240,116
2011	39,397,373	71,663,689	6,712,915	117,773,972
2010	28,008,551	82,907,408	52,042,366	162,958,325

(a) Other category is comprised of a variety of sources including residential garages and carpools, swimming pools and spas, signs, demolitions and razings, and other miscellaneous sources.

Source: City of Glendale, Arizona Building Safety Department.

Building Permits[(a)]
City of Glendale, Arizona

Fiscal Year	Total Building Permits
2014	4,799
2013	6,383
2012	5,304
2011	5,619
2010	5,194

(a) The date on which the permit is issued is not to be construed as the date of construction.

Source: City of Glendale, Arizona Building Safety Department.

Sales Tax Revenue

The following City sales tax revenue is based on the City's sales and use tax collections from its 1.9% sales tax levy together with the restaurant and bar (2.9%), hotel (6.9%), construction (1.9%), and communication (5.1%) portions of the total sales tax collections. These revenues do not reflect sales tax revenues received by the City which are restricted to use for police, fire and transportation.

Sales Tax Revenue
City of Glendale, Arizona

Fiscal Year	Amount
2014	$88,764,000
2013	82,678,263
2012	56,158,067
2011	54,884,920
2010	53,807,689

Source: City of Glendale Finance Department.

Transportation

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

In the year 2000, the Loop 101 freeway was opened as part of the City's general plan for future west area development. The freeway's opening has spurred residential, commercial and industrial development in the adjacent areas, and increased access to venues such as the Arena and the University of Phoenix NFL stadium. (See "Additional Information" below.) Major transportation corridors that connect Glendale to the entire metropolitan region include historic Grand Avenue, Loop 303 in the far west, the Loop 101 in the western and northern parts of the city, and the Northern Parkway, which is currently in phase two of construction, connecting several West Valley cities. Glendale is a member of the Valley Metro, the area's Regional Public Transportation Authority (RPTA). Glendale Transit provides a wide range of convenient, low-cost transportation alternatives for Glendale citizens and visitors, including fixed-route bus service, Glendale Dial-A-Ride, Glendale Urban Shuttle (GUS) bus service, ADA service and a taxi-subsidy program.

Glendale also operates a municipal airport. Located just five miles west of downtown Glendale, five miles east of Luke Air Force Base, and 30 minutes northwest of downtown Phoenix, this 477-acre modern airport features a beautifully designed two-story, 18,000 square-foot terminal, a Federal Aviation Administration contract-tower, and complete airport services for general aviation and corporate jet traffic. The airport's facilities include a 7,150 foot paved and lighted runway, a $2.3 million terminal, a 10,000 square-foot hangar and many smaller, enclosed hangars for aircraft. The full-service airport is accessible to general aviation aircraft from single-engine planes to corporate jets. Twenty-one businesses are located on the field and 186 new hangars have been built. In addition, a new business park is being planned for the east side of the landing field. A full service fixed base operator is located on the field with two grades of fuel and full maintenance is available.

Airlines Serving Sky Harbor International Airport
as of October, 2014

Airline	
Aero Mexico	JetBlue Airways
Air Canada	Southwest Airlines
Alaska Airlines	Spirit Airlines
American Airlines (a)	Sun Country Airlines
British Airways	United Airlines
Delta Airlines	US Airways (a)
Frontier Airlines	Volaris
Great Lakes Airlines	WestJet
Hawaiian Airlines	

(a) American Airlines and US Airways merged on December 9, 2013. The two airlines will continue to operate separately until a single operating certificate is achieved within the next 18-24 months.

Source: City of Phoenix Aviation Department.

Number of Passengers Arriving and Departing
Sky Harbor International Airport
As of August, 2014

Calendar Year	Deplaned	Enplaned	Total
2014	14,225,326	14,234,571	28,459,897
2013	20,174,643	20,166,971	40,341,614
2012	20,279,006	20,169,926	40,448,932
2011	20,380,496	20,211,799	40,592,295
2010	19,329,480	19,225,050	38,554,530

Source: City of Phoenix Aviation Department.

Education

The City is home to four major institutions of higher education. Glendale Community College is one of the campuses which comprise the Maricopa County Community College District. The College offers a curriculum leading to an Associate of Arts degree. The American Graduate School of International Management (Thunderbird) is currently a privately-owned graduate-level institution offering a curriculum leading to a Masters of International Management degree. Thunderbird is currently in negotiations to be acquired by Arizona State University.

Midwestern University has a 143-acre campus located in Glendale. This university specializes in health care education, providing programs that range from osteopathic medicine to cardiovascular science. Midwestern is in the midst of a $140 million expansion and expects to have over 2,700 students once the expansion is complete in 2014.

The Arizona State University West campus is a 300-acre campus located on Glendale's eastern border. Over [400] business classes are offered at the campus for junior and senior students. In addition, a complete Masters of Business Administration program is available.

Residents of the City are also served by numerous elementary schools, junior high schools and high schools.

DEBT AND FINANCIAL DATA

Introduction

The City's fiscal year is from July 1 through June 30.

The Director of Finance and Technology is responsible for finance, management and budget, procurement, accounting, computer-related planning, evaluation and installation of hardware and software throughout the City. The Economic Development Director is responsible for attracting, retaining and expanding businesses and providing redevelopment and business assistance and encompasses economic development, planning and building safety services.

Expenditure Limitation

Commencing in fiscal year 1982-83, the City became subject to the annual expenditure limitation which is set by the Arizona Economic Estimates Commission. This limitation is based on the City's actual expenditures for fiscal year 1979-80, with this base adjusted annually to reflect population, cost of living and boundary changes. Certain expenditures are specifically exempt from the limit, such as expenditures made from federal funds and bond sale proceeds, as well as debt service payments. The limitation can be exceeded for certain emergency expenditures or if approved by the voters. The constitutional provisions which relate to the expenditure limitation provide three processes to exceed the spending limit: a local home rule option; a permanent base adjustment; and a one-time override.

On March 16, 1982, the voters of the City approved a local home-rule option proposition referred to them by the City Council to exceed the statutorily imposed expenditure limit in all areas of City operations in the 1982-83 fiscal year and the three succeeding fiscal years to the extent of revenues anticipated to be received by the City. Successive authorizations to exceed the statutory limitation for four year periods were approved on March 1986, on March 1990 and on March 1994. On February 24, 1998 the City Council adopted a Resolution proposing an extension of the Alternative Local Expenditure Limitation tests for four more years and was approved by voters at the May 19, 1998 General Election. From July 1982 to June 2002, the City was subject to the home-rule option. The City is now subject to the State imposed expenditure limitation with which the City is in full compliance. On May 16, 2000, voters approved a permanent base adjustment to the 1980 expenditure limitation thereby increasing it from $21.5 million to $68 million (in 1980 dollars). This base year is adjusted by an inflation and population factor from year to year. The approval of this permanent adjustment by the voters will have no effect on sales and property taxes.

Operating Budget Process

The budget process emphasizes the City's objective of making the budget not only a financial plan but also a policy document, operations guide and a communications device as recommended by the Government Finance Officers Association ("GFOA"). GFOA has awarded the City's 2014 budget its "Distinguished Budget Presentation," the 22nd year the City has received this award. The 2015 budget has been submitted to GFOA. The annual and long-range budgeting process is shaped and guided by the four key foundation documents included in the annual budget document:

1. The annual operating budget
2. The 10-year capital plan
3. The 5-Year Forecast
4. The Financial Plan and Financial Policies

The annual budget document for Fiscal Year 2015 and the past few fiscal years are located at http://www.glendaleaz.com/budget.

Prior to Fiscal Year 2014, the budget process involved an approach where each department received target allocations. The responsible department would then be given a "base budget target allocation", and when additional funding was available, supplemental requests were then made for increases in services or the addition of new services. Supplemental requests were not considered starting with the Fiscal Year 2010 budget and continuing through the development of the Fiscal Year 2014 budget. Fiscal Year 2015 was the first year the City utilized a "zero-based" budget approach. Additionally, the budget was developed around the Five-Year Financial Forecast and was presented to Council on December 17, 2013. A zero-based approach means departments requested and justified all Fiscal Year 2015 appropriated funds and did not receive "base budget target allocations" at the beginning of the budget process. The intent of the Five-Year Financial Forecast was to set the stage for the Fiscal Year 2015 budget process with an emphasis on future financial planning and stability.

The proposed budget is typically presented to City Council in March and April for the upcoming fiscal year, with an emphasis on the City's largest operating fund, the General Fund, along with the proposed capital improvement plan. The state-defined budget adoption process occurs in May and June following public hearings on the City Manager's proposed budget. This process results in City Council's formal adoption of the City's total budget for the upcoming fiscal year.

City budgeting for a fiscal year formally begins with the preparation of the budget. It is subsequently adopted, after a public hearing, by July 1 for the fiscal year. The budget must contain the information indicated above and a tax levy is made in accordance with state law. Additionally, the City has a formal Debt Management Plan and a 10 year capital improvement plan which are also incorporated in the budget process.

Capital Improvement Plan

Glendale's Capital Improvement Plan (the "Capital Plan") is a ten-year road map for creating, maintaining and rehabilitating Glendale's present and future infrastructure needs. The Capital Plan also represents a funding plan for capital expenditures. The Capital Plan is designed to ensure that capital improvements will be made when and where they are needed, and that the City will have the funds to pay for such improvements.

In conjunction with the annual budgeting process, the Financial Services Department coordinates the city-wide process of revising and updating the Capital Plan.

The City Council reviews all of the existing and proposed projects, considers citizen and City boards and commissions requests and evaluates management, financial and planning staff recommendations before making the final decision about which projects should be included in the annual Capital Plan and how those projects should be integrated into the City's annual budgeting process.

Financial Reports and Examination of Accounts

Annually, independent certified public accountants audit the financial records as required by state law and the Charter. See Appendix [__] – "AUDITED FINANCIAL STATEMENTS OF THE CITY OF GLENDALE, ARIZONA FOR FISCAL YEAR ENDED JUNE 30, 2014" for the financial statements from the City's June 30, 2014, Comprehensive Annual Financial Report. The City received a Certificate of Achievement for Excellence in Financial Reporting from GFOA for its 2014 Comprehensive Annual Financial Report as well as in each of the [29] preceding years.

RECENT BUDGET AND FINANCIAL DEVELOPMENTS

General Fund

On June 12, 2012, the Glendale City Council approved a 0.7% increase in the City's transaction privilege tax ("TPT") rate. This increase, which was implemented on August 1, 2012, was due to expire on July 31, 2017. During the Fiscal Year 2015 budget process, there was significant planning centered on the detailed five-year financial forecast, and on June 24, 2014, the termination date (or "sunset" provision) was eliminated, effectively making the 0.7% increase permanent. The General Fund Activity table below overviews the General Fund financial results beginning with the Fiscal Year 2009 through Fiscal Year 2014 (unaudited).

At June 30, 2014, the ending General Fund fund balance was a deficit $2.1 million. However, at the June 30, 2014 City cash and investments totaled $40.1 million for the General Fund. The primary reasons for the difference between the $40.1 million cash and investments balance and the $2.1 million deficit fund balance is: a) the advance from other funds to the General Fund totaling $39.5 million payable through Fiscal Year 2037 and b) the $5.0 million contract payable to the National Hockey League payable in Fiscal Year 2017.

Table 7
City of Glendale, Arizona
General Fund Activity
(000's omitted)

Fiscal Year:	2009	2010	2011	2012	2013	2014[1]
Revenues:						
Taxes & Assessments	$58,761	$57,537	$59,435	$60,852	$87,849	$96,943
Licenses & Permits	9,006	8,641	8,547	9,172	9,598	9,833
Intergovernmental	64,710	58,490	50,644	44,780	50,040	54,005
Charges for Services	7,133	5,658	8,264	9,236	10,797	13,642
Other	7,614	7,463	19,815	11,613	6,143	7,167
Total	147,224	137,789	146,705	135,653	164,427	181,590
Expenditures:						
General Government	23,867	21,457	19,467	17,696	15,785	29,445
Public Safety	83,110	77,667	73,716	74,509	81,639	85,029
Public Works	10,944	11,472	8,708	7,635	7,822	7,444
Community Services	26,854	22,600	20,217	19,209	15,371	13,438
Debt	2,905	2,433	2,245	1,626	2,815	1,508
Capital Outlay	5,782	2,717	3,005	2,983	699	2,712
Other	2,830	2,496	1,814	2,362	3,196	2,096
Total	156,292	140,842	129,172	126,020	127,327	142,116
Other Fin. Sources/(Uses):						
Net Transfers	(4,979)	(11,244)	(20,746)	(21,267)	(22,895)	(30,878)
NHL Owners Fee	0	0	(25,000)	(25,000)	0	0
Other	289	513	450	650	643	480
Total	(4,690)	(10,731)	(45,296)	(45,617)	(22,252)	(30,398)
Beginning Balance (July 1)	66,388	52,630	39,433[2]	9,335[3]	(26,649)	(11,801)
Net Change in Fund Balance	(13,758)	(13,784)	(27,763)	(35,984)	14,848	9,076
Ending Balance (June 30)	$52,630	$38,846	$11,670	($26,649)	($11,801)	($2,725)
Unassigned Fund Balance	$29,410	$22,626	($5,414)	($29,565)	($14,438)	($5,129)

[1] Unaudited. The City's Audited Financial Statements are expected to be available in December 2014.

[2] Restated fund types revised balance June 30, 2010 pursuant to Governmental Accounting Standards Board Statement No. 54.

[3] Restated due to reassignment to the General Fund of a contractual payment by the City of approximately $2.3 million which had initially been charged against the City's Risk Management Fund.

The General Fund, fund balance was reduced in excess of $90 million over the four year period from Fiscal Year 2009 through Fiscal Year 2012. Fiscal Year 2013 saw the first year of a net increase to the fund balance but did not include the impacts of a newly negotiated Arena Management Agreement, a net General Fund impact of approximately $8.5 million, or debt service related to the Camelback Ranch Spring Training Facility, a General Fund impact of approximately $11.1 million.

The Fiscal Year 2014 adopted General Fund budget anticipated a planned spend-down of $14.3 million in fund balance and was the first fiscal year in which the General Fund fully funded the impacts of the Arena Management Agreement and debt service costs related to the Camelback Ranch Spring Training Facility. Despite these financial events, the Fiscal Year 2014 actual results (unaudited) indicate the General Fund fund balance increased by $9.1 million as illustrated in the General Fund Activity table above.

The growth of taxes and assessments revenue beginning in Fiscal Year 2013 is attributed primarily to the 0.7% increase in the TPT rate, effective August 1, 2012. After factoring out the partial-year impact of the 0.7% increase, the actual TPT revenue increased by approximately 5% in Fiscal Year 2014 from Fiscal Year 2013.

The second largest revenue category in the General Fund is intergovernmental revenue. This consists primarily of State-Shared Sales Tax, State-Shared Income Tax, and State-Shared Motor Vehicle In-Lieu Tax. In Fiscal Year 2009, a decline in revenues started and continued for three consecutive years. Beginning in Fiscal Year 2013, and continuing in Fiscal Year 2014, intergovernmental revenue increased by 11.7% and 7.9%, respectively. The distribution of State-Shared Sales and Income Tax revenue is based upon the relation of the City's population to the total State population while the distribution of Motor Vehicle In-Lieu revenue is based on the City's population in relation to the total incorporated population of Maricopa County.

Overall, General Fund expenditures reduced from $156.3 million in Fiscal Year 2009 to $126.0 million in Fiscal Year 2012, a reduction of 19.3%. The growth in Fiscal Year 2014 expenditures is due primarily to the Arena Management agreement, totaling approximately $14.0 million. Net transfers increased by approximately $8.0 million. This is due primarily to the increase in debt service costs for the Camelback Ranch Spring Training Facility.

The General Fund is made up of one primary fund and multiple General Fund Sub-Funds. The primary General Fund supports the Sub-Funds. The Fiscal Year 2015 General Fund budget process began with a detailed five-year financial forecast presented in December 2013 and had an estimated fund balance reduction of $17.2 million for Fiscal Year 2015 in the primary fund. In order to address this estimated deficit, the City adopted a "zero-based" budget approach. Through several months of City Council Budget Workshops, the actual adopted Fiscal Year 2015 budget reduced this deficit to $2.1 million. This equals the one-time budget impact of Super Bowl XLIX.

Other Operating Funds

The other major operating funds include the Highway User Revenue Fund (HURF), Transportation, Police, and Fire Special Revenue Funds and the Water and Sewer, Sanitation, and Landfill Enterprise Funds (collectively, the "Other Enterprise Funds"). Similar to the General Fund, five-year financial forecasts were presented in February 2014 for the other operating funds in preparation for the Fiscal Year 2015 budget process. These forecasts included revised Fiscal Year 2014 estimates. Preliminary Fiscal Year 2014 actual results were compared to these revised estimates and presented to Council in October 2014. The actual Fiscal Year 2014 operating results outperformed the estimated results in each of these funds.

Going forward, the financial planning for the Other Operating Funds include analyses of compliance with bond covenants for existing debt supported from these funds. In particular, rate reviews are planned in Fiscal Year 2015 for the enterprise funds.

Phoenix Coyotes NHL Hockey Team; Management of City-Owned Arena

The Coyotes of the National Hockey League (NHL) is the anchor tenant in the Arena. The NHL acquired the Coyotes assets in 2009 after the prior owner filed for bankruptcy and the City entered into an agreement with an NHL affiliate to manage the Arena. Pursuant to agreements between the City and the NHL, the Coyotes continued to use the Arena as its home-game venue during the 2010-11, 2011-12, and 2012-13 seasons, but home games in the Arena during the 2012-13 season were interrupted by a labor dispute. The City agreed to pay the NHL a total of $50 million to manage the Arena. The first $25 million payment was made in Fiscal Year 2011. The second $25 million was expensed in Fiscal Year 2012. The City made a cash payment of $20 million into an escrow account for the NHL to drawn down for equal installments from Fiscal Year 2013 through Fiscal Year 2016. The final planned $5 million payment is to be paid from the

General Fund appropriations in Fiscal Year 2017. A total of $45 million was financed through inter-fund advances, as overviewed below.

On July 2, 2013, an Arena Management Agreement with IceArizona was approved by Council with an effective date of August 5, 2013. This fifteen-year agreement pays IceArizona a total management fee of $15 million per year. Additionally, the agreement states the City will make capital improvement contributions of $500,000 per year through Fiscal Year 2019 growing to $1.0 million per year through Fiscal Year 2027. The management fees and capital improvement contributions are offset by a share of revenues generated at the Arena. The Fiscal Year 2014 (a partial fiscal year) net General Fund impact totaled $8.5 million (management fees and capital improvement contributions offset by agreement revenues). The Fiscal Year 2015 budgeted net General Fund impact, the first full fiscal year under the agreement, is budgeted at $8.6 million.

Although this is a fifteen year agreement, there is an early termination provision that states if cumulative losses exceed $50 million over the first five years, the team owner and manager have the right to terminate the agreement. If the agreement is terminated prior to the first five years, the City has the right to $45 million less cumulative arena revenues received prior to the date terminated under the agreement.

Inter-Fund Advances

A total of $45 million in inter-fund advances were made to the General Fund in Fiscal Years 2011 and 2012. $40 million in inter-fund advances were from enterprise funds and $5 million were from General Fund Sub-Funds. As the General Fund Sub-Funds are combined with the primary General Fund, these $5 million advances are not part of the General Fund liability.

As of June 30, 2014, the total General Fund liability for the $40 million inter-fund advance (often referred to as inter-fund loans) totals $39.5 million. These outstanding amounts are from the Water & Sewer, Sanitation, and Landfill enterprise funds. The terms of these advances (repayment amount, interest rate, repayment term, etc.) are set by Council and can be changed by Council. The advances from the enterprise funds are payable through Fiscal Year 2037.

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PROPERTY TAXES

Ad Valorem Taxes

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State's property tax system. Beginning in tax year 2015 (for operations beginning in the City's fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the taxable value of property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that are regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

The information which follows under the heading "Ad Valorem Taxes" summarizes the assessment, levy and collection process as it currently exists.

General

For tax purposes in Arizona, real property is either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, "limited property value" and "full cash value," only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. For tax year 2015 and subsequent tax years, the limited property value of real property and improvements, including mobile homes, used for all ad valorem property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was the limited property value, and for the secondary ad valorem tax purposes it was the full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value were not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In general, the Assessor of the County uses a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed

400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
Property Tax Assessment Ratios (a)
Fiscal Years 2010-11 through 2014-15

	Assessment as Percentage of Full Cash Value				
Property Classification (b)	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Mining, Utility, Commercial and Industrial (c)(d)	21.0%	20.0%	20.0%	19.5%	19.0%
Agriculture and Vacant Land (c)	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private car Company and Airline Flight Property (e)	17.0%	15.0%	15.0%	15.0%	15.0%

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2014, full cash values up to $141,385 on commercial, industrial and agricultural personal property are exempt from taxation. For tax year 2013, full cash values up to $133,868 on commercial, industrial and agricultural personal property were exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18.5% for tax year 2015 and further reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Primary Taxes

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that these tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the City are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the City, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Property Valuations

The following table lists various property valuations for the City for the current fiscal year.

Valuations for 2014-15 Fiscal Year

Estimated Actual Valuation (a)	$9,500,554,715
Net Secondary Assessed Valuation	1,148,164,650
Net Primary Assessed Valuation	1,095,616,087

(a) Calculated value of actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparisons and Trends

The information set forth below is shown to indicate the ratio between secondary assessed values and estimated actual values for the City, as well as changes in the net secondary assessed valuations of the City and overlapping municipality units on a comparative basis. The basis of property assessment for these years is shown under "Ad Valorem Taxes - Tax Procedures."

City of Glendale
Net Secondary Assessed Value and Estimated
Actual Full Cash Value Comparisons (a)

Fiscal Year	Net Secondary Assessed Valuation	Estimated Actual Valuation (b)	Net Secondary Assessed Valuation as a Percentage of the Estimated Actual Valuation
2014-15	$1,148,164,650	$9,500,554,715	12.09%
2013-14	1,050,893,890	8,460,156,933	12.42%
2012-13	1,149,264,817	9,079,552,277	12.66%
2011-12	1,313,557,625	10,332,582,284	12.71%
2010-11	1,753,569,411	13,531,334,149	12.96%

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.
(b) Actual full cash value net of estimated value of property exempt from taxation.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Net Secondary Assessed Valuation Comparison (a)

Fiscal Year	City of Glendale	Percent Change	Maricopa County	Percent Change	State of Arizona	Percent Change
2014-15	$1,148,164,650	9.26%	$35,079,646,593	8.84%	$55,352,051,074	5.24%
2013-14	1,050,893,890	(8.56%)	32,229,006,810	(6.31%)	52,594,377,492	(6.54%)
2012-13	1,149,264,817	(12.51%)	34,400,455,716	(11.25%)	56,271,814,583	(8.80%)
2011-12	1,313,557,625	(25.09%)	38,760,296,714	(22.02%)	61,700,292,915	(18.43%)
2010-11	1,753,569,411	(17.71%)	49,707,952,123	(14.35%)	75,643,290,656	(12.59%)

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

Net Secondary Assessed Valuation by Property Classification

The following table shows a breakdown of the secondary assessed valuation by property classification for the City for the last five years:

		Net Secondary Assessed Valuation (a)				
	Property Classification	2011	2012	2013	2014	2015
1	Mining, Utilities, Commercial	$705,183,990	$523,112,818	$457,931,612	$399,921,841	$388,607,342
2	Agricultural & Vacant	82,019,663	51,691,663	34,511,646	29,886,641	38,792,733
3	Owner Occupied	752,539,243	570,472,083	508,535,638	452,907,081	515,232,088
4	Rented Residential, Residential Common Areas	207,240,186	161,780,917	141,682,436	162,535,615	200,044,976
5	Railroad, Private Car Companies, Flight Properties	4,353,016	4,054,796	4,178,098	3,346,730	3,629,388
6	Noncommercial Historic, Foreign Trade Zones	2,233,313	2,441,900	2,422,240	2,293,330	1,855,942
7	Commercial Historic	0	0	0	0	0
8	Residential Historic	0	0	0	0	0
9	Improvements on federal, state, county or municipal property	0	3,447	3,145	2,650	2,179
		$1,753,569,411	$1,313,557,625	$1,149,264,817	$1,050,893,890	$1,148,164,650

(a) See "PROPERTY TAXES – General" for description of the property values used for primary and secondary ad valorem property tax purposes prior to tax year 2015.

Source: State of Arizona, Department of Revenue.

Estimated Net Secondary Assessed Valuations of Top Ten Taxpayers (a)

Shown below are the top ten property taxpayers located within the City, an estimate of their 2014-15 net secondary assessed value and their relative proportion of the City's net secondary assessed value.

Taxpayer	Type of Property	2014-15 Net Secondary Assessed Valuation	As % of City's Total Secondary Assessed Valuation
Arizona Public Service Company	Electric Utility	$17,899,515	1.56%
VHS of Arrowhead Inc.	Health Care	11,534,968	1.00
Arrowhead Towne Center LLC	Shopping Center	9,624,526	0.84
Thunderbird School of Global Management	Education	7,588,400	0.66
Wal-Mart Stores Inc.	Retail	7,180,160	0.63
Qwest Corporation	Telecommunications	6,421,764	0.56
New Westgate LLC	Office Buildings	6,079,476	0.53
JQH-Glendale AZ Development LLC	Hotel	5,700,000	0.50
Southwest Gas Corporation (T&D)	Gas Utility	4,852,106	0.42
Stadium Development LLC	Developer	4,436,709	0.39
	TOTAL	$81,317,624	7.08%

(a) Some of these taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the City, the Financial Advisor, Bond Counsel, Underwriter's Counsel, or the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Special Note: The Salt River Project Agricultural Improvement and Power District assessed valuation is not reflected in the total assessed valuation of the City of Glendale. The Project is subject to a "voluntary contribution" in lieu of ad valorem taxation.

Source: Maricopa County Treasurer's Office and Assessor's Office and the City of Glendale.

Record of Real and Secured Property Taxes Levied and Collected

Property taxes are levied and collected on all taxable property within the City and are certified by the Treasurer of the County. The following table sets forth the City's real and secured personal property tax collected year-to-date for the current fiscal year and for the past five full fiscal years.

		Collected to June 30 End of Tax Fiscal Year (a)		Total Collections (b)	
Fiscal Year	Tax Levy(c)	Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2014-15	$24,429,111	(d)	(d)	$2,892,515	11.84%
2013-14	23,942,746	$23,490,204	98.11%	23,620,453	98.65%
2012-13	21,840,578	21,295,512	97.50%	21,523,328	98.55%
2011-12	20,787,346	20,089,536	96.64%	20,466,925	98.46%
2010-11	27,534,316	26,469,260	96.13%	26,944,122	97.86%
2009-10	33,616,837	32,259,666	95.96%	33,130,255	98.55%

(a) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates unless the full year tax is paid by December 31. Penalties for delinquent payments are not included in the above collections figures. See "PROPERTY TAXES - Tax Procedures" herein.
(b) Reflects collections made through October 24, 2014, against current and prior levies.
(c) Tax levy amount shown is based on the original levy set by the County and does not reflect adjustments.
(d) In the process of collection.

Source: Maricopa County Treasurer's Office.

Tax Rate Data

The tax rates provided below reflect the total property tax rate levied by the City. As such, the rates are the sum of the tax rate for debt service payments, which is levied against the City's secondary assessed value, and the tax rate for all other purposes, which is levied against the primary assessed value within the City.

Fiscal Year	City's Primary Tax Rate Per $100 Assessed	City's Secondary Tax Rate Per $100 Assessed	City's Total Tax Rate Per $100 Assessed
2014-15	$0.4896	$1.6605	$2.1501
2013-14	0.4974	1.7915	2.2889
2012-13	0.2252	1.6753	1.9005
2011-12	0.2252	1.3699	1.5951
2010-11	0.2252	1.3699	1.5951

Source: *Maricopa County 2014 Tax Levy*, Maricopa County Department of Finance and *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

Debt Limitation

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a city's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a city's net secondary assessed valuation. In the following computation of the City's borrowing capacity, general obligation bonds that are to be supported from enterprise funds are included in the appropriate category.

Water, Sewer, Light, Parks and Open Space, Transportation and Public Safety Purpose Bonds		All Other General Obligation Bonds	
20% Constitutional Limitation	$229,632,930	6% Constitutional Limitation	$68,889,879
Direct General Obligation Bonds Outstanding (a)	144,930,000	Direct General Obligation Bonds Outstanding (a)	2,880,000
Unused 20% Limitation Borrowing Capacity	$84,702,930	Unused 6% Limitation Borrowing Capacity	$66,009,879

(a) The Direct General Obligation Bonds Outstanding reflects the defeasance of the Bonds Being Refunded and the issuance of the Bonds. Excludes debt service fund balances.

Outstanding Bonded Indebtedness

The following table lists the outstanding General Obligation Bonds for the City.

Direct General Obligation Bonded Debt[2]

Purpose	Year Issued	Original Amount	Outstanding Portion Subject to 6% Limit	Outstanding Portion Subject to 20% Limit	Total Principal Outstanding
Various Purpose G.O. Bonds	2003	$66,400,000	None	$4,335,000	$4,335,000
Various Purpose G.O. Bonds	2004	36,645,000	None	14,615,000	14,615,000
Various Purpose G.O. Bonds	2005	11,960,000	$1,395,000	None	1,395,000
Various Purpose G.O. Bonds	2006	29,365,000	335,000	15,650,000	15,985,000
Refunding Bonds	2006	9,065,000	None	2,010,000	2,010,000
Various Purpose G.O. Bonds	2007	61,000,000	None	37,155,000	37,155,000
Various Purpose G.O. Bonds	2009	41,650,000	1,150,000	35,340,000	36,490,000
Refunding Bonds	2010	38,300,000	None	35,825,000	35,825,000
Total Direct General Obligation Bonded Debt			$2,880,000	$144,930,000	$147,810,000
Net General Obligation Bonded Debt					$147,810,000

Outstanding Water and Sewer Revenue Bonded Debt

The following table lists the outstanding Water and Sewer Revenue Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Water and Sewer Obligations	2006	$80,000,000	$65,285,000
Water and Sewer Obligations	2007	44,500,000	35,305,000
Water and Sewer Obligations	2008	65,500,000	50,930,000
Water and Sewer Obligations	2010	25,685,000	25,685,000
Water and Sewer Obligations	2012	77,635,000	75,910,000
Total Water and Sewer Revenue Bonded Debt			$253,115,000

Outstanding Street and Highway User Revenue Bonded Debt

The following table lists the outstanding Street and Highway Bonds for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Street & Highway User Revenue Bonds	2006	$15,745,000	$3,700,000
Total Street and Highway User Revenue Bonded Debt			$3,700,000

Outstanding Transportation Excise Tax Revenue Bonded Debt

The following table lists the outstanding Transportation Excise Tax Revenue Obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Transportation Excise Tax Revenue Obligations	2007	$109,110,000	$88,015,000
Total Transportation Excise Tax Revenue Bonded Debt			$88,015,000

Outstanding Excise Tax Revenue Bonded Debt

The following table lists the outstanding Excise Tax debt obligations for the City.

Purpose	Year Issued	Original Amount	Total Principal Outstanding
Senior Lien Excise Tax Bonds			
Senior Lien Bonds (Taxable Series 2003B)	2003	$105,260,000	$94,620,000
Senior Lien Bonds (Series 2006A)	2006	33,250,000	24,145,000
Senior Lien Bonds (Series 2008A)	2008	32,315,000	32,220,000
Senior Lien Bonds (Series 2008B)	2008	52,780,000	48,835,000
Senior Lien Bonds (Taxable Series 2008C)	2008	9,140,000	1,000,000
Senior Lien Bonds (Series 2012A)	2012	8,665,000	8,665,000
Senior Lien Refunding Bonds (Series 2012B)	2012	39,620,000	39,620,000
Total Senior Lien Excise Tax Bonds			*$249,105,000*
Subordinate Lien Excise Tax Bonds			
Subordinate Lien Refunding Bonds (Series 2002B)	2002	5,055,000	5,055,000
Subordinate Lien Refunding Bonds (Series 2003D)	2003	7,250,000	7,250,000
Subordinate Lien Refunding Bonds (Series 2012C)	2012	183,405,000	183,405,000
Subordinate Lien Refunding Bonds (Taxable Series 2012D)	2012	16,850,000	14,770,000
Total Subordinate Lien Excise Tax Bonds			*$210,480,000*
Total Other Excise Tax Revenue Bonded Debt			$459,585,000

[1] Does not include debt paid from Unrestricted Excise Taxes.

[2] The City has voter authorization to issue up to $362,839,000 of general obligation bonds as of June 30, 2014. The City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied. [Confirm: The City does not expect that any sequester of federal subsidies resulting from the Budget Control Act of 2011 with respect to Build America Bonds would have a material adverse effect on its ability to pay general obligation bond debt service.]

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding (a)

The following table lists the annual debt service requirements of the City's outstanding general obligation debt.

Fiscal Year Ending	Outstanding General Obligation Debt Service Requirements		Direct Payments (b)	Plus: The Bonds		Less: Enterprise Supported Debt*(d)	Non-Enterprise General Obligation Requirements*(e)
	Principal	Interest		Principal*	Interest (c)		
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							

(a) Rows may not add due to rounding.

(b) Reflects payments anticipated to be received by the City from the United States Treasury (the "Direct Payments") in association with the Series 2010B Bonds. These bonds were issued as "Build America Bonds," for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government, subject to any reductions in such amounts made by the federal government. In fiscal year 2012-13 and each subsequent fiscal year to date, the federal government has reduced the subsidy payments to the interest payments and it is expected that such reductions will continue in the current and future years until altered by the federal government.

(c) The first interest payment date is July 1, 2015*. Interest is estimated.

(d) Represents general obligation bonds for which the debt service is currently paid, and is anticipated to continue to be paid, from various enterprise fund revenues of the City.

(e) Does not reflect amounts held in reserve in the City's Debt Service Fund. As of August 31, 2014, such amounts were [$30.3 million (unaudited)].

* Preliminary, subject to change.

Net Direct and Overlapping General Obligation Bonded Debt

Overlapping bonded debt figures were compiled from information obtained from the County Treasurer's office and individual jurisdictions. A breakdown of each overlapping jurisdiction's applicable general obligation bonded debt, net secondary assessed valuation and combined tax rate per $100 assessed valuation follows. Outstanding bonded debt is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale.

The applicable percentage of each jurisdiction's assessed valuation which lies within the City's boundaries (see the "Approximate Percent" column below) was derived from information obtained from the County Assessor's Office.

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to City of Glendale		2014-15 Combined Tax Rate Per $100 Assessed (b)
			Approx. Percent	Amount	
State of Arizona (c)	$52,594,377,492	None	2.88%	None	$0.5123(d)
Maricopa County	35,079,646,593	None	4.64%	None	1.5157(e)
Maricopa Community College District	35,079,646,593	$654,190,000	4.64%	$30,354,888	1.5187
Western Maricopa Education Center (West-Mec)	13,001,468,671	59,045,000	8.45%	4,987,292	0.0810
Washington Elementary School District No. 6	1,142,089,326	67,475,000	2.67%	1,800,228	5.7015
Glendale Elementary School District No. 40	261,008,520	21,040,000	99.13%	20,856,074	6.4671
Alhambra Elementary School District No. 68	272,908,842	80,000	18.29%	14,636	7.0020
Litchfield Elementary School District No. 79	652,775,053	30,000,000	0.11%	32,157	3.7780
Pendergast Elementary School District No. 92	271,309,761	27,130,000	24.23%	6,574,163	7.1900
Peoria Unified School District No. 11	1,471,213,352	220,825,000	20.50%	45,278,209	7.2708
Dysart Unified School District No. 89	1,131,758,071	167,605,000	0.06%	108,299	7.1239
Deer Valley Unified School District No. 97	2,202,994,012	190,775,000	19.98%	38,116,084	6.4789
Glendale Union High School District No. 205	1,403,097,846	109,690,000	20.61%	22,608,613	4.4189
Phoenix Union High School District No. 210	4,372,062,126	295,670,000	1.14%	3,376,426	4.6196
Tolleson Union High School District No. 214	945,905,222	43,300,000	6.95%	3,009,514	4.5348
Agua Fria Union High School District No. 216	975,254,176	48,970,000	0.07%	35,134	4.2005
City of Glendale (f)	**1,148,164,650**	**147,810,000**	**100.00%**	**147,810,000**	**2.1501**
Total Net Direct and Overlapping General Obligation Bonded Debt				**$309,364,891***	$74.9056

(a) Includes general obligation bonds outstanding less general obligation bonds supported from enterprise revenues. Does not include the Salt River Project Agricultural Improvement and Power District general obligation bonded debt. Such debt has been refunded in advance of maturity and is secured for payment by government securities held in an irrevocable trust.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central

* Preliminary, subject to change.

Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% is interest bearing and the remaining 27% is non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October l, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per $100 of secondary assessed valuation, of which fourteen cents is being currently levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

The following table lists general obligation bonds that are authorized, but unissued, for each of the overlapping jurisdictions.

Jurisdiction	Authorized But Unissued General Obligation Bonds
City of Glendale	$362,839,000
Western Maricopa Education Center (West-Mec)	14,900,000
Washington Elementary School District No. 6	35,000,000
Glendale Elementary School District No. 40	9,200,000
Litchfield Elementary School District No. 79	9,675,000
Pendergast Elementary School District No. 92	8,510,000
Peoria Unified School District No. 11	108,800,000
Dysart Unified School District No. 89	67,960,000
Deer Valley Unified School District No. 97	158,315,000
Glendale Union High School District No. 205	8,435,000
Phoenix Union High School District No. 210	105,000,000
Agua Fria Union High School District No. 216	9,300,000

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity and the tax rate for all other purposes such as maintenance and operation and capital outlay which is based on the primary assessed valuation of the entity.

(c) Net secondary assessed valuation and combined tax rates for the State of Arizona are for fiscal year 2013-14, as such data is not currently available for fiscal year 2014-15.

(d) Includes the "State Equalization Assistance Property Tax." The State Equalization Assistance Property Tax in fiscal year 2013-14 has been set at $0.5123 and is adjusted annually pursuant to Arizona Revised Statutes Section 41-1276. The monies received from this tax are distributed to school districts in the State.

(e) The tax rate includes the $1.3209 county tax rate, the $0.1392 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the Maricopa County Free Library District. It should be noted that the County Flood Control District does not levy taxes on real property.

(f) Includes outstanding general obligation debt as of October 1, 2014; does not include certain outstanding City Revenue Bonds and Obligation previously issued by the City and payable from revenue sources other than property taxes.

Net Direct and Overlapping General Obligation Bonded Debt Ratios

The City's direct and overlapping general obligation bonded debt is shown below on a per capita basis and as a percent of the City's net secondary assessed value and estimated actual value.

	Per Capita Net Debt (Pop. @ 231,109 (a))	As Percent of City's 2014-15 Net Secondary Assessed Valuation ($1,148,164,650)	As Percent of City's 2014-15 Estimated Actual Valuation ($9,500,554,715)
Net Direct General Obligation Bonded Debt ($147,810,000*) (b)	$2,243.97	12.87%	1.56%
Net Direct and Overlapping General Obligation Bonded Debt ($309,364,891*) (c)	$4,696.60	26.94%	3.26%

(a) The population count is provided by the City of Glendale Planning Department. See "POPULATION STATISTICS" table on page A-1.

(b) Excludes approximately [$6,485,000] of general obligation bonds paid, or to be paid, by revenues derived from the City's Water and Sewer Fund.

(c) Overlapping debt from "DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT" table on page A-15.

Source: City of Glendale, Maricopa County Treasurer's Office

OTHER INDEBTEDNESS AND OBLIGATIONS

Lease Purchase Financing

The City has entered into lease-purchase agreements for the acquisition of vehicles, landfill equipment, computer equipment and other equipment. These agreements are renewable annually at the option of the City, with payments due thereunder to be annually budgeted and encumbered in the City's General Fund, or in the case of certain sanitation equipment, in the Sanitation Enterprise Fund. Assuming that these agreements are not terminated or prepaid, the City's annual budget requirements to service these agreements would be as follows:

Lease-Purchase Agreements
City of Glendale, Arizona
(Thousands)

Fiscal Year	Annual Capital Lease Requirements
2015	$1,803,454
2016	3,358,809
2017	3,307,215
2018	3,307,115
2019	1,178
Total Minimum Lease Payments	11,777,771
Less: Amount Representing Interest	(1,417,061)
Present Value of Net Minimum Lease Payments	$10,360,710

Source: City of Glendale Finance Department.

As illustrated in [Note X.I] in Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", the City has other obligations in the amount of $_____ outstanding as of June 30, 2014.

* Preliminary, subject to change.

PENSION AND RETIREMENT PLANS

Employee Retirement Systems and Pension Plans and Other Post-Employment Benefits

The City contributes to three separate defined benefit pension plans for the benefit of all full-time employees and elected officials, two of the plans are described fully below. **Please refer to ["Note XVII"] of Appendix [__] hereto for a more detailed description of these plans and the City contributions to the various plans**.

The Arizona State Retirement System ("ASRS"), a cost-sharing, multiple employer defined benefit plan, has reported increases in its unfunded liabilities. The most recent annual reports for the ASRS may be accessed at: https://www.azasrs.gov/content/annualreports. The increase in ASRS' unfunded liabilities is expected to result in increased future annual contribution to ASRS by the City and its employees.

For the year ended June 30, 2014, active ASRS members and the City were each required by statute to contribute at the actuarially determined rate of 11.54% (10.70% for retirement, 0.60% for health insurance premiums, and 0.24% long-term disability) of the members' annual covered payroll. The ASRS ACR rate was 9.20%. The City's employer contributions to ASRS for the years ended June 30, 2014, 2013, and 2012 were $6,307, $6,346, and $6,876, respectively, which were equal to the required contributions for the year. The City's employee contributions to ASRS were equal to the employers required contributions.

Additionally, other enacted State legislation made changes to how ASRS operates, effective July 1, 2011, which includes requiring employers to pay an alternative contribution rate for retired employees of ASRS that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a Defined Contribution and Retirement Study Committee (as defined in the legislation) that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.]

The Arizona Public Safety Personnel Retirement System ("PSPRS"), an agent multiple-employer defined benefit plan that covers public safety personnel who are regularly assigned to hazardous duties, for which the Arizona State Legislature establishes and may amend active plan members' contribution rate, has reported increases in its unfunded liabilities. The most recent annual reports for the PSPRS may be accessed at http://www.psprs.com/sys_psprs/AnnualReports/cato_annual_rpts_psprs.htm. The increase in the PSPRS's unfunded liabilities is expected to result in increased future annual contributions to PSPRS by the City and its employees, however the specific impact on the City, or on the City's and its employees' future annual contributions to the PSPRS, cannot be determined at this time.

For the year ended June 30, 2014, active PSPRS members were required by statute to contribute 10.35 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 24.54% for fire and 27.98% for police, the aggregate of which is the actuarially required amount. The PSPRS ACR rates for both Fire and Police were 17.07%. The health insurance premium portion of the contribution for fire and police members was computed as $125 and $280 for the year ended June 30, 2013, respectively.

New Reporting Requirements. Governmental Accounting Standards Board ("GASB") Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, improves financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, provides specific accounting and financial reporting guidance for combinations in the governmental environment. This statement requires the use of carrying values to measure the assets and liabilities in a government merger and requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged.

GASB Statement No. 70, Accounting and Reporting for Nonexchange Financial Guarantees, improves financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to

make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. In addition, this statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

Other Post-Employment Benefits

In fiscal year 2007-08, the City implemented GASB Statement No. 45, Accounting by Employers for Post-Employment Benefits Other than Pensions ("GASB 45"), which requires reporting the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. Plan benefits covered by GASB 45 must be recognized as current costs over the working lifetime of employees, and to the extent such costs are not pre-funded, the reporting of such costs as a financial statement liability.

Other than the retirement plans, the City is not required to provide post-employment benefits. However, the City does allow all of its retired employees to participate in the health care and life insurance plan provided to active employees, and at the same rates, except that beginning June 30, 2014 the City no longer pays any portion of the retiree or their family member's premiums. Active employees' rates are subsidized by the City as their employer. The City engaged an actuary to perform calculations of the City's liability with respect to other post-employment benefits. In its report dated September 22 2014, the actuary determined that the City's liability for other post-employment benefits that Governmental Accounting Standards Board Statement 45 requires the City to include in its comprehensive annual financial statement balance sheet was approximately $65.8 million at June 30, 2014, which includes amortization of the unfunded $69.5 million actuarial liability over 30 years.

OTHER FINANCIAL MATTERS

Insurance

In January 1987, the City Council established a risk management fund for torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster. The City's risk management fund purchases commercial insurance for property, aviation, Inland Marine, errors and omissions, boiler and machinery, special events and vehicle property damage. The risk management fund was fully self-insured through June 30, 1998, for tort liability loss. Effective July 1, 1998, the City purchased excess public entity liability insurance with $1 million of self-insurance retention for claims incurred on or after July 1, 1998.

Funds receiving insurance coverage pay monthly premiums to the risk management fund based upon an actuarial review. Premium payments to insurance carriers are made directly from the risk management fund. There have been no settlements paid in excess of insurance in any of the past three years nor has insurance coverage been significantly reduced in recent years.

On July 1, 1994, the City established a workers' compensation fund for work-related injuries to employees. The workers' compensation fund provides coverage up to a maximum of $500 for each workers' compensation claim and purchases commercial insurance for claims in excess of $500. Funds receiving insurance coverage pay monthly premiums to the workers' compensation fund based upon a budget model taking into consideration prior loss experience, staffing level, and the National Council on Compensation insurance workers' compensation manual rates. Premium payments to insurance carriers are made directly from the workers' compensation fund. There have been no settlements paid in excess of insurance in any of the past three years. See Appendix [__] – "AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE CITY OF GLENDALE, ARIZONA OF THE FISCAL YEAR ENDED JUNE 30, 2014", Note VII.B for further information.

In the fall of 2012, the internal auditor of the city performed an audit on the Risk Management and Workers Compensation trust funds. The audit noted some payments out of the trust funds that may not have been appropriate uses of the trust funds. The City Manager met with City Council to detail all findings in the audit in December, 2012. Subsequently, management addressed all of the audit findings and presented those results to the Council in two meetings, November 19, 2013 and June 4, 2014. Currently, the Risk Management and Workers Compensation Funds are above the 55% confidence level.

APPENDIX B

AUDITED FINANCIAL STATEMENTS
OF THE
CITY OF GLENDALE, ARIZONA
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

APPENDIX C

SUMMARY OF CERTAIN TERMS OF THE TRUST AGREEMENT AND THE PURCHASE AGREEMENT

DEFINITIONS OF CERTAIN TERMS

"Additional Parity Obligations" mean any obligations issued on a parity with the Purchase Agreement with respect to the Transportation Excise Taxes pursuant to the provisions of the Trust Agreement.

"Assumed Amortization Period" means with respect to any obligations either (i) 25 years or (ii) such lesser period that a Consultant certifies is reasonable in a written statement delivered to the Chief Financial Officer of the City.

"Assumed Interest Rate" means (i) with respect to outstanding variable rate obligations, 125% of the interest rate in effect on the date of determination, (ii) with respect to variable rate obligations not yet issued, 125% of the rate to be in effect on the date of issuance of the obligations, or (iii) with respect to obligations not described in (i) or (ii), the rate set forth in an opinion of a Consultant as the rate that similar obligations would bear on a level debt service basis over an Assumed Amortization Period if offered on the last day of the calendar month prior to the date of determination.

"Authorized City Representative" means the City Manager or Chief Financial Officer of the City or any other person designated to act in such capacity by a certificate of the City furnished to the Trustee containing the specimen signature of any of such persons, which certificate may designate an alternate or alternates.

"Balloon Indebtedness" means a Parity Obligation issue which bears interest at a variable rate or rates and 25% or more of the original principal of which matures on the same date, which portion of the original principal is not required by the Parity Obligations Document authorizing such issue to be amortized by sinking fund redemption prior to such date.

"Bond Year" means the Fiscal Year.

"Compound Interest Bonds" means bonds or obligations which for a stated period of time bear interest, which interest is calculated based on regular compounding, payable only (i) at maturity or earlier redemption or (ii) on a specified date from and after which date, such bonds or obligations bear interest payable on a regularly scheduled basis. Bonds or obligations described in clause (ii) above shall be deemed to be "Compound Interest Bonds" until the specified date on which the compound interest ceases to accrue.

"Consultant" means a consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm retained by the Corporation to perform acts, prepare certificates or otherwise carry out the duties provided for a Consultant in this Indenture. Such consultant, consulting firm, engineer, architect, engineering firm or architectural firm shall be nationally recognized within its profession for works of the character required. Such accountants or accounting firm shall be Independent Certified Public Accountants licensed to practice in the State of Arizona.

"Costs of Issuance Fund" means the fund of that name created pursuant to the Trust Agreement.

"Credit Facility" means a bank, financial institution, insurance company or indemnity company which performs one or more of the following tasks: (i) the enhancement of the City's credit by assuring holders of any of the City's bonds or obligations that principal of and interest on said bonds or obligations will be paid promptly when due (including the issuance of an insurance policy, surety bond or other form of security for a bond reserve account), or (ii) providing liquidity for the holders of bonds or obligations through undertaking to cause bonds or obligations to be bought from the holders thereof when submitted pursuant to an arrangement prescribed by a subsequent ordinance or resolution duly enacted by the Mayor and Council of the City.

"Default Rate" means a rate of interest which is the lesser of ten percent (10%) per annum or the average rate of interest paid on the Obligations.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the City or the Trustee relating to the execution, sale and delivery of the Purchase Agreement, the Trust Agreement and the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, verification agent fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

"Depository Trustee" means any bank or trust company, which may include the Trustee, meeting the requirements of, and designated to act as, Depository Trustee pursuant to the defeasance provisions of the Trust Agreement.

"Event of Default" means the occurrence of any of the events described under "THE TRUST AGREEMENT – Events of Default; Remedies Upon Default; No Acceleration" and "THE PURCHASE AGREEMENT – Default; Remedies Upon Default" or an event of default under the Purchase Agreement.

"Fiscal Year" means the period commencing each July 1 and ending June 30 of the succeeding calendar year, unless otherwise determined and designated by the City, and the Transportation Excise Taxes shall be accounted for on that basis.

"Interest Payment Date" means the first (1st) day of each January and July, provided that, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

"Maximum Annual Debt Service" means an amount of money equal to the highest aggregate Principal Requirement and interest requirements of all Outstanding Parity Obligations and any periodic fees paid to any providers of a Credit Facility related to such bonds or obligations to fall due and payable in the current or any future Fiscal Year. In case any bonds or obligations Outstanding or proposed to be issued shall bear interest at a variable rate, the interest requirement in each Fiscal Year during which such variable rate applies (i) in the case of bonds or obligations Outstanding (a) shall be for periods during such Fiscal Year for which the variable rate has been determined the rate or rates actually in effect during such period, and (b) shall be for periods during such Fiscal Year for which the variable rate has not yet been determined, the rate which is equal to 125% of the rate in effect on the date of determination or, (ii) in the case of bonds or obligations proposed to be issued shall be 125% of the initial interest rate; *provided* that the rate shall never exceed the maximum rate provided under the terms of issuance of such bonds or obligations. If obligations of the types described under the Trust Agreement, are included in the calculation of Maximum Annual Debt Service, the appropriate Assumed Amortization Period and Assumed Interest Rate shall be used.

"Outstanding" when used with reference to the Obligations or Parity Obligations, means the Obligations or Parity Obligations which are outstanding and unpaid; *provided*, *however*, that such term shall not include Obligations or Parity Obligations (a) which have matured and for which moneys are on deposit with the Registrar for the applicable Obligations, or are otherwise properly available in an amount sufficient to pay all principal and interest then due and payable thereon, or (b) provision for the payment of which has been made by the City in accordance with the Trust Agreement.

"Owner" or any similar term, when used with respect to an Obligation, means the person in whose name such Obligation shall be registered.

"Parity Obligations" means the 2007 Obligations, the Obligations and any Additional Parity Obligations.

"Parity Obligation Agreement" means any agreement authorizing or relating to the execution and delivery of Parity Obligations.

"Payment Fund" means the fund by that name established pursuant to the Trust Agreement.

"Payments" means all payments required to be paid by the City on any date pursuant to the Purchase Agreement.

"Principal Requirement" means, as of any date of calculation, the sum of (a) the principal amount of Parity Obligations, as applicable, falling due during the then current Fiscal Year plus (b) the amount of principal of Parity Obligations, as applicable, required to be redeemed pursuant to a mandatory redemption feature during the then current Fiscal

Year. In computing the Principal Requirement, an amount of Parity Obligations, as applicable, required to be redeemed pursuant to mandatory redemption in each year shall be deemed to fall due in that year and (except in case of default in observing a mandatory redemption requirement) shall be deducted from the amount of Parity Obligations, as applicable, maturing on the scheduled maturity date. In the case of Parity Obligations, as applicable, supported by a Credit Facility, the Principal Requirements for such Parity Obligations shall be determined in accordance with the principal retirement schedule specified in the proceedings authorizing the issuance of such Parity Obligations, as applicable, rather than by any amortization schedule set forth in such Credit Facility. A Parity Obligation Agreement authorizing the issuance of or providing for the sale of Parity Obligations, as applicable, which are Compound Interest Bonds may amend the definition of "Principal Requirement" to include accreted interest on such a Compound Interest Bond. For purposes of calculating the Principal Requirement for any year, the City shall reduce the amount of the Principal Requirement in any year by the amount of any monies deposited by the City into a special fund for use to pay the Principal Requirement in any such year.

"Qualified Permitted Investments" means:

(1) Cash

(2) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- "SLGs")

(3) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities

(4) Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable

(5) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA by S&P. If however, the issue is only rated by S&P (i.e.), there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

(6) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.

a. U.S. Export-Import Bank (Eximbank)

Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FmHA)

Certificates of beneficial ownership

c. Federal Financing Bank

d. General Services Administration

Participation certificates

e. U.S. Maritime Administration

Guaranteed Title XI financing

f. U.S. Department of Housing and Urban Development (HUD)

Refinanced Project Notes

Local Authority Bonds

New Communities Debentures - U.S. Government guaranteed debentures

U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

"Reserve Fund" means the fund of that name established and held by the Trustee pursuant to the Refunded Trust Agreement.

"Reserve Fund Guarantor" shall mean the issuer of the Reserve Fund Guaranty.

"Reserve Fund Guaranty" shall mean a letter of credit, surety bond or similar arrangement representing the irrevocable obligation of the Reserve Fund Guarantor to pay to the Trustee upon request made by the Trustee up to an amount stated therein for application as provided in the Trust Agreement.

"Reserve Fund Guaranty Agreement" shall mean the reimbursement agreement, loan agreement or similar agreement between the City and a Reserve Fund Guarantor with respect to repayment of amounts advanced under the Reserve Fund Guaranty.

"Reserve Fund Guaranty Coverage" shall mean the amount available at any particular time to be paid to the Trustee under the terms of the Reserve Fund Guaranty.

"Reserve Fund Requirement" means, with respect to the Reserve Fund for the Obligations, initially $-0- and thereafter to the extent required by the Trust Agreement or a Parity Obligation Agreement a Reserve Fund Value equal to the least of (i) an amount equal to ten percent (10%) of the aggregate principal amount of Obligations; (ii) the Maximum Annual Debt Service of the Obligations; or (iii) one hundred twenty percent (120%) of the average annual debt service of the Obligations.

"Reserve Fund Value" means the aggregate of the Reserve Fund Guaranty Coverage and the value of moneys and investments credited to the Reserve Fund, the value of investments to be the value at market.

THE TRUST AGREEMENT

The following, in addition to the information under the headings "THE OBLIGATIONS" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS", is a summary of certain provisions of the Trust Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Costs of Issuance Fund. The Costs of Issuance Fund will be established by the Trustee from which the Trustee will pay the Delivery Costs. On the earlier of June 1, 2015, or when all Delivery Costs have been paid, the Trustee will transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund.

Reserve Fund. The Refunded Trust Indenture establishes a special fund designated as the "City of Glendale Project Reserve Fund" (which is also known as the "Reserve Fund").

The Reserve Fund shall be an integrated and indivisible common Reserve Fund for the 2007 Obligations, the Obligations and all other Additional Parity Obligations except to the extent that the City establishes a separate reserve fund for other Parity Obligations.

Upon funding of the Reserve Fund, the Trustee shall enter into an intercreditor agreement with the applicable trustees for the applicable Parity Obligations which shall allow amounts in the Reserve Fund to be drawn out by the applicable trustee and used to make payment of principal and interest on the 2007 Obligations, the Obligations, and on any Additional Parity Obligations for which a separate reserve fund is not established, pro rata, in the event that amounts in the Payment Fund or other funds held for payment of principal and interest on such 2007 Obligations, Obligations or Additional Parity Obligations are insufficient.

In the event that after funding the Reserve Fund the Reserve Fund Value is less than the Reserve Fund Requirement, the City shall, in addition to the payments provided under the Purchase Agreement, immediately pay to the custodian of the Reserve Fund an amount sufficient to cause the Reserve Fund Value to equal the Reserve Fund Requirement.

In lieu of funding with cash payments, the City may deliver to the Trustee a Reserve Fund Guaranty complying with the requirements of the Trust Agreement. The Trustee is authorized and directed to execute (if necessary), deliver and comply with all of the terms and conditions of any Reserve Fund Guaranty and Reserve Fund Guaranty Agreements and related restrictions or directions in connection with the Obligations and any other Parity Obligations.

Provisions for Reserve Fund for the Obligations. (a) With respect to the Obligations, no amount is required to be deposited into the Reserve Fund at the time of initial execution and delivery of the Obligations. At any time that the Transportation Excise Taxes collected for the immediately preceding fiscal year, as set forth in the City's audited financial statements, shall be less than 1.75 times the aggregate Maximum Annual Debt Service on all Parity Obligations, the City shall deposit into the Reserve Fund, on the first Business Day of each month, $1/36^{th}$ of such Maximum Annual Debt Service, except for any Parity Obligations for which a separate reserve fund is established or for which no reserve fund is required until the amount in the Reserve Fund equals the Reserve Fund Requirement. The Reserve Fund may also be funded in whole or in part by a Reserve Fund Guaranty. If such deposits shall have been required of the Reserve Fund, the Reserve Fund shall continue to be funded so long as the Obligations remain Outstanding.

(b) Notwithstanding the foregoing, the provisions set forth in the Trust Agreement relating to the Reserve Fund shall be effective only (i) upon the determination that the Reserve Fund shall be funded as provided in subsection (a) above and (ii) only so long as the 2007 Obligations remain Outstanding.

Additional Parity Obligations.

(a) So long as any of the Obligations remain Outstanding and the principal and interest thereon shall be unpaid or unprovided for or any other amounts remain unpaid or unprovided for the City will not further encumber the Transportation Excise Taxes pledged on a basis equal to the pledge for the Obligations unless the Transportation Excise Taxes actually collected by the City in any 12 consecutive months out of the 18 months immediately preceding the issue date of the Additional Parity Obligations, as certified by the Chief Financial Officer of the City, are not less than 200% of the aggregate Maximum Annual Debt Service on Parity Obligations, taking the proposed Additional Parity Obligations into account.

(b) Interim Parity Indebtedness may be issued if the test in paragraph (a) above is met assuming that the Interim Parity Indebtedness is amortized on a level debt service basis over the Assumed Amortization Period at the Assumed Interest Rate.

(c) Additional Parity Obligations may be issued as commercial paper if (i) either (y) the test in paragraph a above is met assuming the commercial paper is amortized with level debt service over the Assumed Amortization Period at the Assumed Interest Rate or (z) the commercial paper is issued solely to refund other commercial paper indebtedness, and (ii) the term of any Credit Facility issued in connection with the commercial paper is at least 9 months.

(d) Additional Parity Obligations may be issued as Balloon Indebtedness if the test in paragraph a above is met assuming the Balloon Indebtedness is amortized on a level debt service basis over the Assumed Amortization Period at the Assumed Interest Rate.

(e) Additional Parity Obligations may be issued as optional tender bonds or bonds which are convertible to a different interest rate basis if the test in paragraph a above is met disregarding any contingent repayment obligations to a provider of a liquidity facility (except during any period where payments to a liquidity provider are actually made).

(f) Additional Parity Obligations may be issued to refund Outstanding Parity Obligations if taking into account the issuance of such Additional Parity Obligations and the application of the proceeds thereof the aggregate Maximum Annual Debt Service in any Bond Year will not be increased by more than ten (10%) percent; provided that for any Bond Year for which the aggregate Maximum Annual Debt Service prior to the issuance of the Additional Parity Obligations was zero, the aggregate Maximum Annual Debt Service after the issuance of the Additional Parity Obligations shall not exceed the aggregate Maximum Annual Debt Service for any other Bond Year after the issuance of the Additional Parity Obligations and provided further that aggregate Maximum Annual Debt Service is not increased by more than 10% upon the issuance of the Additional Parity Obligations. If the City issues additional Parity Obligations to refund one or more series of other Parity Obligations by providing for payment of the amounts due thereon in advance of their maturity then, for

purposes of the Trust Agreement, such refunded Parity Obligations to the extent they will no longer be Outstanding after the refunding, will be treated as not Outstanding for the purpose of determining the Maximum Annual Debt Service.

(g) Issuance of any Additional Parity Obligations is conditioned on no event of default has occurred and is continuing under the Trust Agreement or under the Purchase Agreement.

Payment Fund. The Payment Fund will also be established by the Trustee. The moneys in the Payment Fund will be applied by the Trustee solely to pay principal, interest and premium, if any, represented by the Obligations.

Separate Funds. Moneys and investments properly paid into and held in the funds established under the Trust Agreement will not be subject to the claims of the owners of the Additional Parity Obligations, and the Owners of the Obligations shall have no claim or lien upon any moneys or investments properly paid into and held in the funds and accounts established under the proceedings for the Additional Parity Obligations.

Protection of Lien. The Trustee and the City will not make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien of the Trust Agreement, and no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged will be issued or delivered by either except in lieu of, or upon transfer of registration or exchange of, any Obligation.

Investments Authorized; Allocation of Earnings. Upon order of the City, moneys held by the Trustee will be invested and re-invested in certain investments permitted by the Trust Agreement having the highest yield reasonably obtainable. The Trustee may purchase from, or sell to, itself or any affiliate, as principal or agent, investments and may invest in funds to which the Trustee or any of its affiliates provide services as an investment advisor. The Trustee may act as purchaser or agent in the making or disposing of any investment.

Any income, profit or loss on such investments will be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds will be deposited in the fund from which such deposit was made, except as otherwise provided. At the direction of the City, any such income, profit or interest will be applied if necessary to pay any rebate due with respect to the Obligation pursuant to the Internal Revenue Code.

Appointment of the Trustee. The City will maintain as the Trustee a bank or trust company with a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or State authority so long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority, then the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Liability of the Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute the Trust Agreement, the recitals of facts, covenants and agreements in the Trust Agreement and the Obligations will be taken as statements, covenants and agreements of the City, and the Trustee will assume no responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Trust Agreement or of the Obligations or will incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Obligations assigned to or imposed upon them, respectively. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Trust Agreement. After the occurrence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent indenture trustee would exercise under the circumstances in the conduct of the affairs of the Trustee.

Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible as described hereinabove, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Protection and Rights of the Trustee. The Trustee will be protected and will incur no liability in acting or proceeding in good faith upon any document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust

Agreement, and the Trustee will be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such document, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee will not be bound to recognize any person as an Owner of any Obligation or to take any action at the request thereof unless such Obligation will be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation will be furnished to the Trustee. The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it in good faith.

Whenever in the administration of its duties under the Trust Agreement, the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action thereunder, such matter (unless other evidence in respect thereof be specifically prescribed) will be deemed to be conclusively proved and established by the certificate of the appropriate representative of the City and such certificate will be full warranty to the Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may become the Owner of the Obligations with the same rights it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee will not be answerable for the exercise of any discretion or power under the Trust Agreement or for anything whatever in connection with the funds established thereunder, except only for its own willful misconduct or negligence.

No provision in the Trust Agreement will require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee will not be required to take notice or be deemed to have notice of an Event of Default, except for nonpayment of amounts due under the Trust Agreement or the Purchase Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the City or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding.

The City will from time to time, as agreed upon between the City and the Trustee, pay to the Trustee reasonable compensation for its services, including an hourly rate based fee after an Event of Default and will reimburse the Trustee for all its advances and expenditures, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties.

Removal of the Trustee. The Trustee \may be removed by the City (if not in default) or by the Owners of a majority in aggregate principal amount of the Obligations.

The Trustee may also resign effective upon the appointment of a successor the Trustee by the City.

Amendments Permitted. The Trust Agreement and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement which will become effective upon the written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of certain disqualified Obligations. No such modification or amendment will (1) extend or have the effect of extending the final payment of principal represented by any Obligation or reducing the interest rate represented thereby or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of the Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

For the purpose of any supplemental agreement to make any amendment which may be made upon consent of the Owners of a majority of the Obligations pursuant to the Trust Agreement.

The Trust Agreement and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement, without the consent of any Owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved in the Trustee (for its own behalf) or the City, (2) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (3) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (4) to provide for the appointment of a successor trustee pursuant to the terms hereof, (5) to preserve the exclusion of interest represented by the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the City to continue to issue bonds or other obligations the interest on which is likewise exempt from federal and State income taxes, (6) to cure, correct or supplement any ambiguous or defective provision in the Trust Agreement and Purchase Agreement, (7) with respect to rating matter, or (8) in regard to questions arising thereunder, as the parties thereto may deem necessary or desirable and which will not adversely affect the interests of the Owners of the Obligations. Any such supplemental or amending agreement will become effective upon execution and delivery by the parties thereto.

Procedure for Amendment With Written Consent of Obligation Owners. A copy of the proposed supplemental or amending agreement, together with a consent request, must be mailed to each Owner of an Obligation, but failure to mail copies of such supplemental or amending agreement and request does not affect the validity of the supplemental or amending agreement when assented to by a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations then disqualified). The supplemental or amending agreement will not become effective until the required Owners have consented and the Trustee has mailed notice to the Owners of the Obligations stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will become effective (but failure to mail copies of said notice shall not affect the validity of such supplemental or amending agreement or consents thereto).

Disqualified Obligations. Obligations owned or held by or for the account of the City or by any person directly or indirectly controlled by, or under direct or indirect common control with the City (except any Obligations held in any pension or retirement fund) will not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for in the Trust Agreement, and will not be entitled to vote upon, consent to, or take any other action provided therein.

No Liability of the City for the Trustee Performance. The City will have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under the Trust Agreement

Remedies Upon Default; No Acceleration.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the Payments at the time when the same is to be paid as provided herein or in the Trust Agreement or any Parity Obligation Agreement, (B) the violation by City of any other covenant or provision of this Purchase Agreement or the Trust Agreement or any Parity Obligation Agreement or (C) the insolvency or bankruptcy of City as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of City or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the Payments as required hereunder or under the Trust Agreement on the due date or the nonpayment of payments on their due dates with respect to any other Parity Lien Obligations; (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Purchase Agreement not cured within sixty (60) days after notice in writing from Seller specifying such default; and (C) in the case of any other default under any other Parity Lien Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, Seller may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by City under the Trust Agreement or this Purchase Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of City under the Trust Agreement or this Purchase Agreement, and with respect to the revenues from the Transportation Excise Taxes without giving any bond or surety to City or anyone claiming under

City, may have a receiver appointed of the amounts of the revenues from the Transportation Excise Taxes which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and City does hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

(b) If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything in the Trust Agreement or in the Purchase Agreement to the contrary, there will be no right under any circumstances to accelerate the payment dates of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of the Trust Agreement or the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the Obligations, upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs "and expenses of the Trustee in declaring such Event of Default, including reasonable compensation to its or agents, attorneys and counsel and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained in the Trust Agreement.

Power of the Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, it will have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, or disposal of such action; provided, however, that the Trustee will not discontinue, or otherwise dispose of any litigation, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation will have the right to institute any action, for any remedy, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers granted or to institute such action, in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity; and (d) the Trustee shall have not complied with such request for a period of sixty (60) days.

No one or more Owners of Obligations will have any right in any manner whatever by their action to enforce any right under the Trust Agreement, except in the manner therein provided, and all proceedings with respect to an Event of Default will be pursued in the manner therein provided and for the equal benefit of all Owners of the Outstanding Obligations.

The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, will not be impaired or affected without the consent of such Owner.

Defeasance. If and when all Outstanding Obligations shall be paid and discharged in anyone or. more of the following ways:

(a) by paying or causing to be paid the principal and interest represented by such Obligations Outstanding, as and when the same become due and payable;

(b) by depositing with a Depository Trustee, in trust for such purpose, at or before the payment date therefor, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to payor cause to be paid all principal and interest represented by such Obligations Outstanding; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable in such amount as shall be certified to the Trustee and the City by a national firm of certified public accountants or other financial or consulting firm acceptable to both the Trustee and the City, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all principal and interest represented by such Obligations at their respective payment dates;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the City with respect to all Outstanding Obligations will cease and terminate, except only the obligation of the Trustee to payor cause to be paid, from funds deposited pursuant to paragraphs (b) or (c) above and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations will continue to represent direct and proportionate interests of the Owners thereof in such funds.

If any Obligation or portion thereof will not mature within sixty (60) days of the deposit referred to in paragraphs (b) or (c) above, the Trustee shall give notice of such deposit by first class mail to the Owners.

THE PURCHASE AGREEMENT

The following, in addition to the information under the headings "INTRODUCTORY STATEMENT" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS," is a summary of certain provisions of the Purchase Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Purchase/Sale. Pursuant to the Purchase Agreement, the City will sell and convey any residual rights it has in the Refinanced Project to the Trustee, and the Trustee, in turn, will sell and convey to the City, and the City will buy and accept from the Trustee, the Refinanced Project.

Payments. The obligation of the City to make the Payments will be limited to amounts from Transportation Excise Taxes.

The obligation of the City to make the Payments from the sources described and to perform and observe the other agreements contained in the Purchase Agreement will be absolute and unconditional and will not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of the Trustee of any obligation to the City or otherwise, or out of indebted ness or liability at any time owing to the City by the Trustee. Until such time as all of the Payments shall have been fully paid or provided for, the City (i) will not suspend or discontinue the Payments, (ii) will perform and observe all other agreements contained in the Purchase Agreement, and (iii) will not terminate the Purchase Agreement for any cause.

Providing for Payment. The City may provide for the payment of any of the Payments in anyone or more of the following ways:

(a) by paying such Payment as and when the same becomes due and payable at its scheduled due date or on a date on which it can be prepaid;

(b) by depositing the with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with the Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable, in such amount as shall be certified by a national firm of certified public accountants acceptable to the Trustee and the City as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial prepayment of a Payment, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial prepayment, so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Events of Default; Remedies Upon Default; No Acceleration.

(a) The occurrence of one or more of the following events constitutes an Event of Default, whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(i) City's failure to make any Payment, whether in whole or in part, when the same shall become due as provided herein or on any of the Parity Obligations or in the Purchase Agreement;

(ii) City's failure to perform or observe any other covenant, condition or agreement required to be performed or observed by City under the Trust Agreement or under the Purchase Agreement, and the continuation of such failure for a period of sixty (60) days after written notice thereof from Trustee (whether in its capacity as Trustee or Seller) to City, or in the event that the Seller consents to an extension of time in accordance with the Purchase Agreement, then the continuation of such failure for such extended period of time;

(iii) Any representation or warranty made by the City shall be untrue in any material respect as of the date made and not made true in all material respects within sixty (60) days of notice thereof from the Trustee or the Seller to the City;

(iv) With respect to any Outstanding Parity Obligations, the occurrence of an event of default which is not cured within the applicable cure period, if any;

(v) City becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for the City or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the City and, if instituted against the City, is consented to or acquiesced in by the City or is not dismissed within sixty (60) days.

APPENDIX D

FORM OF OPINION OF SPECIAL COUNSEL

[Closing Date]

The Bank of New York Mellon Trust Company, N.A.

Re: Transportation Excise Tax Revenue Refunding Obligations, Series 2015 Representing Proportionate Interests of the Owners Thereof in Purchase Price Payments to be Made by City of Glendale, Arizona, to The Bank of New York Mellon Trust Company, N.A., as Trustee

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by Wells Fargo Bank, N.A. (the "Trustee") of the Transportation Excise Tax Revenue Refunding Obligations, Series 2015 (the "Obligations"), pursuant to a Second Trust Agreement, dated as of _____ 1, 2015 (the "Trust Agreement"), between the Trustee and City of Glendale, Arizona (the "City"). Each of the Obligations is an undivided, participating, proportionate interest in certain payments to be made by the City pursuant to a Second Purchase Agreement, dated as of _____ 1, 2015 (the "Purchase Agreement"), between the Trustee as seller and the City as buyer to refinance certain projects for the City. In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the City Attorney delivered even date herewith as to the matters provided therein.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Obligations, the Trust Agreement and the Purchase Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally; except to the extent that the enforceability thereof and the rights thereunder may be limited by the application of general principles of equity and, as to the Trust Agreement, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The obligations of the City pursuant to the Purchase Agreement with respect to payment of principal and interest with respect to the Obligations are solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such payments. Those revenues and other moneys include payments required to be made by the City pursuant to the Purchase Agreement, and the obligation of the City to make those payments is secured by a limited pledge of amounts from "Transportation Excise Taxes" as described in, and provided by, the Purchase Agreement. Such payments are not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Obligations do not represent or constitute a debt or pledge of the general credit of the City and the Purchase Agreement, including the obligation of the City to make the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the City.

3. (a) Subject to the assumption stated in the last sentence of this paragraph, the portion of each payment made by the City pursuant to the Purchase Agreement, denominated and comprising interest with respect to the Obligations and received by the beneficial owners of the Obligations (the "Interest Portion"), is excludable from the gross income of the beneficial owners thereof for federal income tax purposes. Furthermore, the Interest Portion is not an item of

tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however the Interest Portion is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. (We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the Interest Portion on, or ownership or disposition of, the Obligations.) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In rendering the opinion expressed in this paragraph, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Interest Portion is so excludable for federal income tax purposes, the Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the receipt or accrual of such interest on, or ownership or disposition of, the Obligations.)

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CITY OF GLENDALE ("CITY")
CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Glendale, Arizona (the "City") in connection with the execution and delivery of $_____ principal amount of Transportation Excise Tax Revenue Refunding Obligations, Series 2015 (the "Obligations") representing undivided proportionate interests in installment payments to be made by the City to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") pursuant to a Second Purchase Agreement, dated as of January 1, 2015 between the City and the Trustee (the "Purchase Agreement"). The Obligations are being issued pursuant to a Second Trust Agreement, dated as of January 1, 2015 (the "Trust Agreement") between the City and the Trustee.

The City covenants and agrees as follows:

1. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Obligations at the time the Obligations are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Obligations.

2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

"Annual Information" means the financial information and operating data set forth in Exhibit I.

"Annual Information Disclosure" means the dissemination of disclosure concerning Annual Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. As of the date of this Undertaking, information regarding submissions to EMMA is available at http://emma.msrb.org/submission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Listed Event" means the occurrence of any of the events with respect to the Obligations set forth in Exhibit II.

"Listed Events Disclosure" means dissemination of a notice of a Listed Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an Underwriter in the primary offering of the Obligations.

"Purchase Agreement" means First Purchase Agreement, dated as of February 1, 2015, between the City and the Trustee, in its separate capacity as "Seller".

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Arizona.

"Undertaking" means the obligations of the City pursuant to Sections 4 and 5 hereof.

3. CUSIP Number/Final Official Statement. The base CUSIP Number of the Obligations is _____. The Final Official Statement relating to the Obligations is dated February ___, 2015 (the "Final Official Statement").

4. Annual Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Information and its Audited Financial Statement, if any, (in the form and by the dates set forth in Exhibit I) through EMMA. The City is required to deliver such information in such manner and by such time so that such entities receive the information on the date specified.

If any part of the Annual Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided through EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner Listed Events Disclosure through EMMA. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Obligations or defeasance of any Obligations need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be an Event of Default under the Purchase Agreement or the Trust Agreement. The sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Obligations, as determined by a counsel or other entity unaffiliated with the City.

8. Termination of Undertaking. The Undertaking of the City shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Purchase Agreement or Trust Agreement. The City shall give notice in a timely manner if this Section is applicable through EMMA.

9. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Listed Event.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

12. Recordkeeping. The City shall maintain records of all Annual Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Governing Law. This Undertaking shall be governed by the laws of the State.

CITY OF GLENDALE, ARIZONA

By:_____
Its: Chief Financial Officer
Address: 5850 West Glendale Avenue
Glendale, Arizona

Date: [Closing date]

Exhibit I

Annual Financial Information and Timing and Audited Financial Statements

"Annual Financial Information" means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION/TABLE	PAGE
[Table __ - City of Glendale Transportation Excise Tax Receipts	
Table ____ - Excise Tax Revenues and Debt Service Requirements]	

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA, or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available from the MSRB; the Final Official Statement need not be available through EMMA or the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each through EMMA, on or before February 1 of each year, commending February 1, 201__ for information as of the previous June 30 (unless otherwise specified). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included and the Audited Financial Statements shall be subsequently provided within 30 days after their availability to the City.

Audited Financial Statements will be prepared according to GAAP standards, as applied to governmental units as modified by State law.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

Exhibit II

Events with respect to the Obligations
for which Listed Events Disclosure is Required

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity provider, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other notices or determinations, in each case, with respect to the tax status of the Obligations.

7. Modifications to the rights of security holders, if material.

8. Obligation calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution or sale of property securing repayment, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Whether event listed above subject to the standard "material" would be material shall be determined under applicable federal securities laws.

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED IN THIS APPENDIX G "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK ("DTC"). NO REPRESENTATION IS MADE BY THE CITY AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Obligation certificate will be issued for each maturity of each series of the Obligations, totaling in the aggregate the principal amount of each series of the Obligations, and will be deposited with DTC. The owners of book-entry interest will not receive or have the right to receive physical delivery of the Obligations.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of beneficial ownership interests in Obligations are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Obligations, such as redemptions (if any), defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed

to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Obligations to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments represented by the Obligations will be made by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the Trustee or the City. Under such circumstances, in the event that a successor securities depository is not obtained, Obligation certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Obligation certificates will be printed and delivered.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE RESPONSIBILITY OR OBLIGATION TO DTC, TO DIRECT PARTICIPANTS OR TO INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE OBLIGATIONS UNDER THE TRUST AGREEMENT; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE OBLIGATIONS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OBLIGATIONS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF OBLIGATIONS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered owner of the Obligations, as nominee for DTC, references in this Official Statement to "Owner" or registered owners of the Obligations (other than with respect to the Obligations under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Obligations.

When reference is made in this Official Statement to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City or the Trustee to DTC only.

In the event that the Book-Entry-Only System is discontinued, the following provisions will apply: principal of the Obligations when due, will be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee. The transfer of the Obligations will be registrable and the Obligations may be exchanged at the designated corporate trust office of the Trustee upon the payment of any taxes or other governmental charges required to be paid with respect to such transfer or exchange.

File #: 14-479, **Version:** 1

ABANDONMENT OF A PUBLIC SEWER LINE EASEMENT AT ASPERA
Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager to abandon a public sewer line easement at Aspera.

Background

The developer of Aspera, located at 20250 North 75 th Avenue, is requesting the city to abandon an existing public sewer line easement, consisting of 16,126 square feet, due to conflicts with their proposed buildings. The easement is approximately 1,000 feet west of 75 th Avenue in the 78 th Avenue alignment. The existing city sewer line within this easement will be removed and disposed of by the developer. A new public sewer line and easement has been designed to avoid conflicts with the proposed buildings. There is no need for the city to retain the easement.

Analysis

On January 8, 2007, the Community Church of Joy granted a sewer line easement to the City of Glendale. The easement was granted to the city for the purpose of operating and maintaining a sewer line and associated facilities. Due to the fact that the existing sewer line within the easement is being removed, there is no need for the city to retain the easement. Additionally, there will be no impact on city departments, staff, service levels or costs incurred as a result of this action.

ORDINANCE NO. 2922 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE ABANDONMENT OF A SEWER LINE EASEMENT AT 20250 NORTH 75TH AVENUE; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

WHEREAS, on January 8, 2007, the Community Church of Joy, an Arizona non-profit corporation, granted a sewer line easement over and across certain real property located in the City of Glendale at approximately 20250 North 75th Avenue and described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, upon information and belief, the Glendale City Council took action to accept the easement and to execute any legal instrument taking title to this easement on November 27, 2007 and this easement was assigned City Deed No. 3569; and

WHEREAS, the City has determined it is the public interest to abandon this easement in favor of a new sewer line easement consistent with the final plat for the Aspera development; and

WHEREAS, it is expected that the City will accept a new sewer easement to service future buildings and structures on the Aspera property once construction is complete;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. The City hereby abandons the easement it has in the property legally described in Exhibit A and as recorded in the records of the Maricopa County Recorder's Office on January 8, 2007 at Docket No. 2007-0197815 entitled "Conveyance of Easement" to the underlying, dominant property owner, CDG JOY I, LLC. Such abandonment and re-conveyance of said easement shall take effect immediately upon the City Council's passage of this ordinance. Title to the released property shall vest in the underlying landowner as provided by law.

SECTION 2. Further, as provided in A.R.S. §9-402(E), the City is not receiving payment for such abandonment and re-conveyance of the City's interest in the sewer line easement to the underlying, dominant property owner, CDG JOY I, LLC because the City has determined that the property is of little or no commercial or economic value and that the City no longer needs the easement to protect the health, welfare and safety of its citizens.

SECTION 3. The Council hereby instructs the City Manager to execute the Quit Claim Deed, which is attached hereto as Exhibit B, granting and re-conveying the easement described in Exhibit A to CDG JOY I, LLC.

SECTION 4. The City Clerk is accordingly 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

EXHIBIT A

EXHIBIT A

LEGAL DESCRIPTION
ASPERA
SEWER EASEMENT ABANDONMENT

An abandonment of a portion of that Sewer Easement described in Document Number 2007-0197815, Records of Maricopa County, being a portion of the Southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, also being a portion of that property shown as "Aspera Final Plat", Book 1199, Page 10, Records of Maricopa County, more particularly described as follows:

COMMENCING at the center of said Section 23, being a found iron rod, from which the East Quarter Corner of said Section 23, being a City of Glendale brass cap in a handhole, bears North 89°49'57" East, a distance of 2652.94 feet;

thence, along the East-West mid-section line, North 89°49'57" East, a distance of 1304.88 feet;

thence, South 00°10'03" East, a distance of 1081.55 feet to a point on the northwesterly line of said sewer easement and the POINT OF BEGINNING;

thence South 64°01'38" East, 20.11 feet to a point on the southeasterly line of said sewer easement;

thence, along said southeasterly line, South 31°55'04" West, 273.37 feet to an angle point;

thence, continuing along said southeasterly line, South 31°29'46" West, 398.48 feet to an angle point;

thence, continuing along said southeasterly line,, South 89°09'37" West, 344.66 feet to a point on the easterly line of said sewer easement;

thence, along said easterly line, North 16°42'01" East, 4.44 feet to a point on the easterly line of 78th Avenue as shown on said Aspera Final Plat, said point being a non tangent curve, the radius of which bears North 65°39'06" West, 530.00 feet;

thence, along said easterly line of 78th Avenue, northeasterly, 17.29 feet along the arc of said curve concave northwest, through a central angle of 01°52'10", to a point on the northwesterly line of said sewer easement;

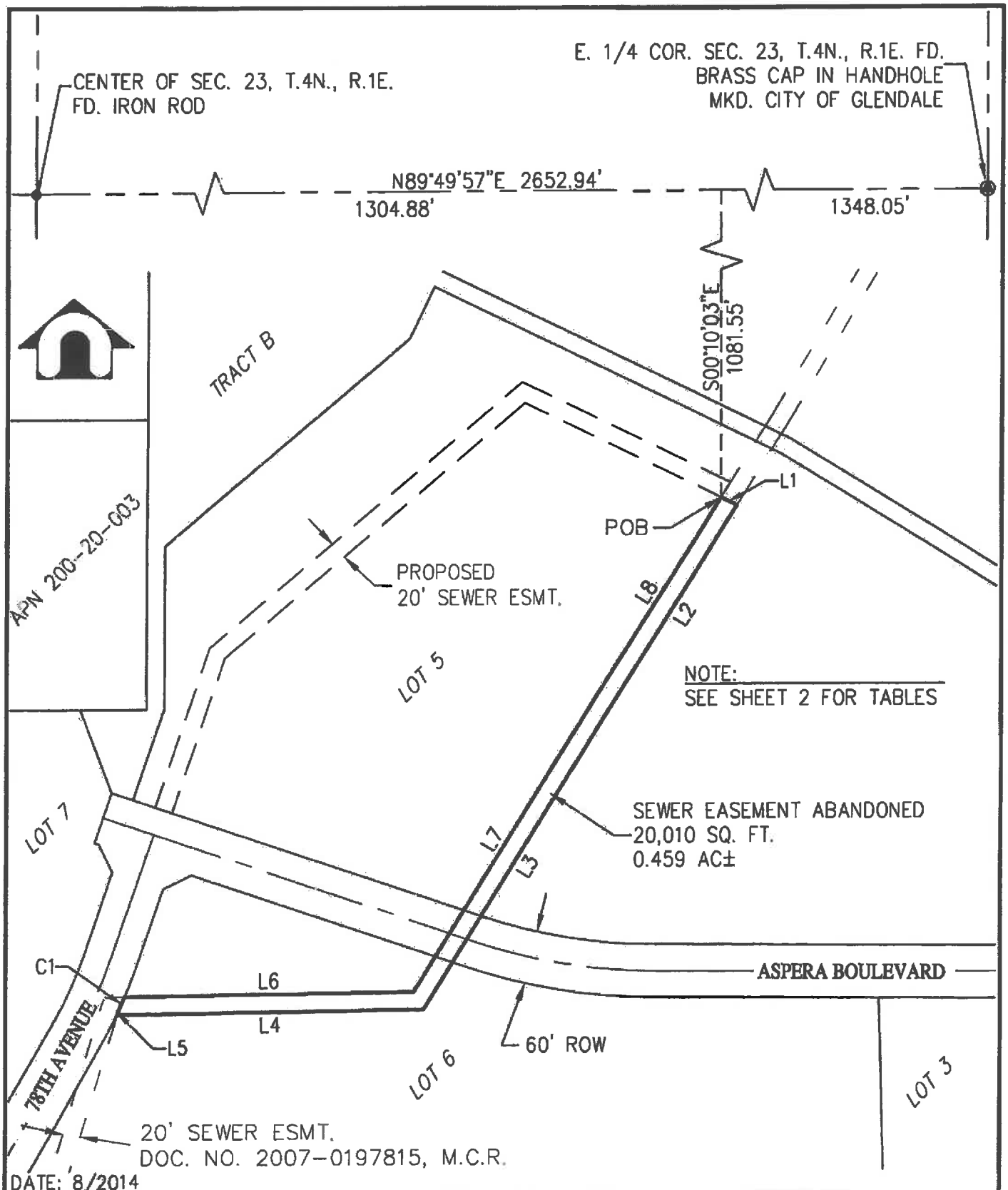
thence, along said northwesterly line, North 89°09'37" East, 325.21 feet to an angle point;

thence, along said northwesterly line, North 31°29'46" East, 387.55 feet to an angle point;

thence, continuing along said northwesterly line, North 31°55'04" East, 271.36 feet to the POINT OF BEGINNING.

Said parcel containing 20,010 square feet or 0.459 acres, more or less.

Expires 06/30/2015



DATE: 8/2014

SCALE: 1"=150'	**SEWER EASEMENT ABANDONMENT**	**DAVID EVANS AND ASSOCIATES INC.**
SHEET 1 OF 2	**DOC. NO. 2007-0197815 M.C.R.**	4600 East Washington Street, Suite 430
	ASPERA BOOK 1199, PAGE 10, M.C.R.	Phoenix Arizona 85034
		Phone: 602.678.5151

EASEMENT LINE TABLE		
LINE	BEARING	LENGTH
L1	S64°01'38"E	20.11'
L2	S31°55'04"W	273.37'
L3	S31°29'46"W	398.48'
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L8	N31°55'04"E	271.36'

EASEMENT CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	530.00'	17.29'	1°52'10"	N23°24'49"E	17.29'

DATE: 8/2014

SCALE: *N.T.S.*

SHEET *2 OF 2*

SEWER EASEMENT ABANDONMENT
DOC. NO. 2007-0197815 M.C.R.
ASPERA BOOK 1199, PAGE 10, M.C.R.

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

EXHIBIT B

When recorded, mail to
Glendale City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

QUIT CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations, the **City of Glendale, an Arizona municipal corporation**, does hereby quitclaim to CDG JOY I, LLC, an Arizona limited liability company, any and all right, title and interest to and in that certain parcel of Real Property situated in Maricopa County and described as follows:

See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

_____
Notary Public

My commission expires:

20250 N. 75th Ave

EXHIBIT A

LEGAL DESCRIPTION
ASPERA
SEWER EASEMENT ABANDONMENT

An abandonment of a portion of that Sewer Easement described in Document Number 2007-0197815, Records of Maricopa County, being a portion of the Southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, also being a portion of that property shown as "Aspera Final Plat", Book 1199, Page 10, Records of Maricopa County, more particularly described as follows:

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thence, along the East-West mid-section line, North 89°49'57" East, a distance of 1304.88 feet;

thence, South 00°10'03" East, a distance of 1081.55 feet to a point on the northwesterly line of said sewer easement and the POINT OF BEGINNING;

thence South 64°01'38" East, 20.11 feet to a point on the southeasterly line of said sewer easement;

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thence, continuing along said southeasterly line, South 31°29'46" West, 398.48 feet to an angle point;

thence, continuing along said southeasterly line,, South 89°09'37" West, 344.66 feet to a point on the easterly line of said sewer easement;

thence, along said easterly line, North 16°42'01" East, 4.44 feet to a point on the easterly line of 78th Avenue as shown on said Aspera Final Plat, said point being a non tangent curve, the radius of which bears North 65°39'06" West, 530.00 feet;

thence, along said easterly line of 78th Avenue, northeasterly, 17.29 feet along the arc of said curve concave northwest, through a central angle of 01°52'10", to a point on the northwesterly line of said sewer easement;

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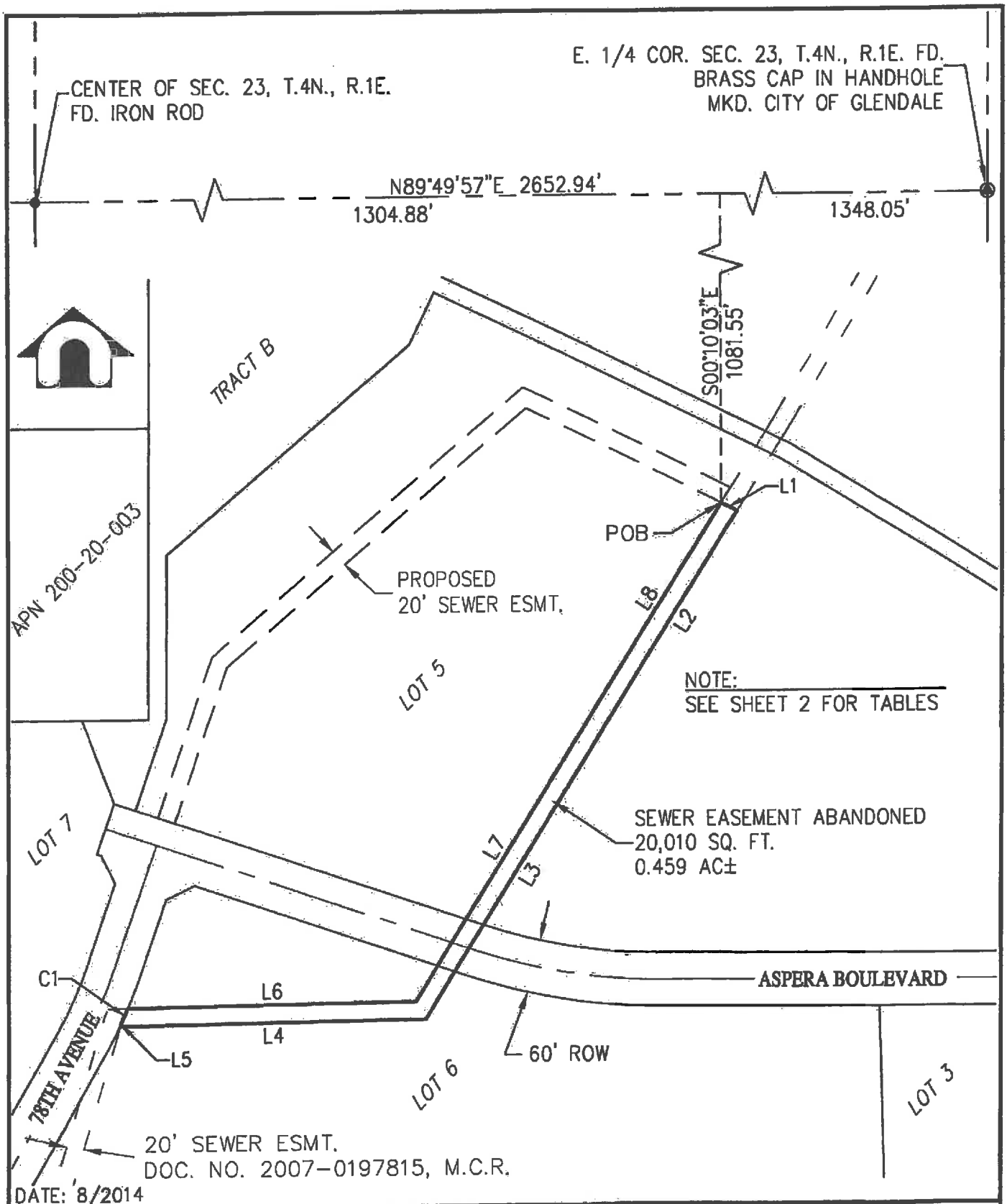
Said parcel containing 20,010 square feet or 0.459 acres, more or less.

Expires 06/30/2020



DATE: 8/2014

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DATE: 8/2014

SCALE: N.T.S.

SHEET 2 OF 2

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DOC. NO. 2007-0197815 M.C.R.
ASPERA BOOK 1199, PAGE 10, M.C.R.

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QUIT CLAIM DEED

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See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

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Notary Public

My commission expires:

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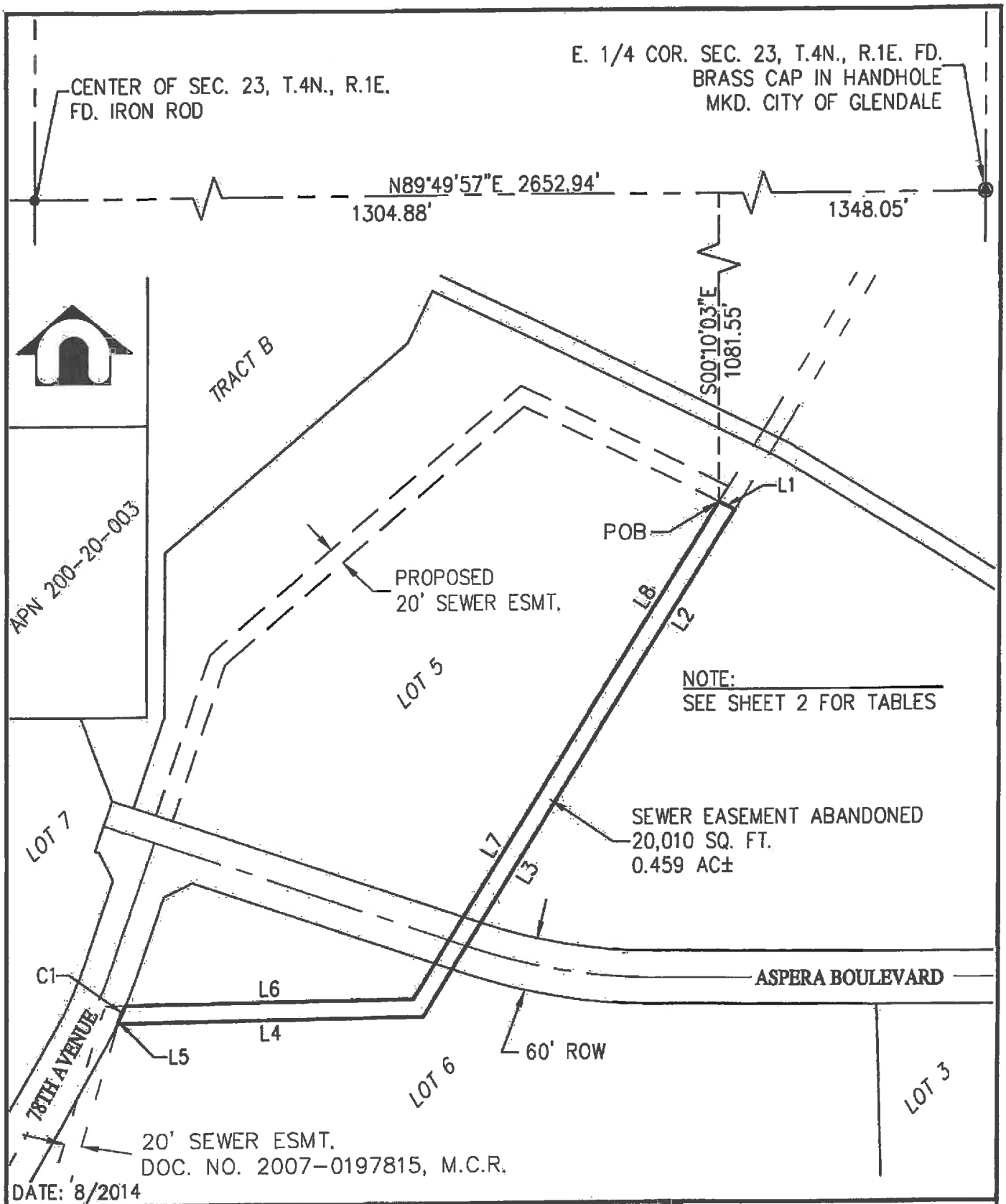

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DATE: 8/2014

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SHEET *2* OF *2*

SEWER EASEMENT ABANDONMENT
DOC. NO. 2007-0197815 M.C.R.
ASPERA BOOK 1199, PAGE 10, M.C.R.

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

SEWERLINE EASEMENT TO BE ABANDONED

GLENDALE AZ

Legislation Description

File #: 14-480, **Version:** 1

ABANDONMENT OF A PUBLIC WATER LINE EASEMENT AT ASPERA
Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for the City Council to waive reading beyond the title and adopt an ordinance authorizing the City Manager to abandon a public water line easement at Aspera.

Background

The developer of Aspera, located at 20250 North 75 th Avenue, is requesting the city to abandon an existing public water line easement, consisting of 20,010 square feet, due to conflicts with their proposed buildings. The easement is located approximately 450 feet west of 75 th Avenue just south of Aspera Boulevard. The existing city water line within this easement will be removed and disposed of by the developer. A new public water line and easement has been designed for domestic water and fire protection purposes that will not conflict with the proposed buildings. There is no need for the city to retain the easement.

Analysis

On June 5, 1998, the Community Church of Joy granted a water line easement to the City of Glendale. The easement was granted to the city for the purpose of operating and maintaining a water line and associated facilities. Due to the fact that the existing water line within the easement is being removed, there is no need for the city to retain the easement. Additionally, there will be no impact on city departments, staff, service levels or costs incurred as a result of this action.

ORDINANCE NO. 2923 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE ABANDONMENT OF A WATER LINE EASEMENT AT 20250 NORTH 75TH AVENUE; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

WHEREAS, on June 5, 1998, the Community Church of Joy, an Arizona nonprofit corporation, granted a water line easement over and across certain real property located in the City of Glendale at approximately 20250 North 75th Avenue and described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, upon information and belief, the Glendale City Council took action to accept the easement and to execute any legal instrument taking title to this easement on December 8, 1998 and this easement was assigned City Deed No. 3000; and

WHEREAS, the City has determined it is the public interest to abandon this easement in favor of a new water line easement consistent with the final plat for the Aspera development; and

WHEREAS, it is expected that the City will accept a new water easement to service future buildings and structures on the Aspera property once construction is complete;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. The City hereby abandons the easement it has in the property legally described in Exhibit A and as recorded in the records of the Maricopa County Recorder's Office on June 8, 1998 at Docket No. 1998-0483364 entitled "Conveyance of Easement" to the underlying, dominant property owner, CDG JOY I, LLC. Such abandonment and re-conveyance of said easement shall take effect immediately upon the City Council's passage of this ordinance. Title to the released property shall vest in the underlying landowner as provided by law.

SECTION 2. Further, as provided in A.R.S. §9-402(E), the City is not receiving payment for such abandonment and re-conveyance of the City's interest in the water line easement to the underlying, dominant property owner, CDG JOY I, LLC because the City has determined that the property is of little or no commercial or economic value and that the City no longer needs the easement to protect the health, welfare and safety of its citizens.

SECTION 3. The Council hereby instructs the City Manager to execute the Quit Claim Deed, which is attached hereto as Exhibit B, granting and re-conveying the easement described in Exhibit A to CDG JOY I, LLC.

SECTION 4. The City Clerk is accordingly 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

EXHIBIT A

LEGAL DESCRIPTION
ASPERA
WATER LINE EASEMENT ABANDONMENT

An abandonment of a portion of that Water Line Easement described in Document Number 1998-0483364, Records of Maricopa County, being a portion of the Southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona , also being a portion of Aspera Boulevard, Lot 3 and Lot 4, "Aspera Final Plat", Book 1199, Page 10, Records of Maricopa County, more particularly described as follows:

COMMENCING at the Southeast Corner of said Section 23, being a found Arizona Department of Transportation aluminum cap in a handhole, from which the South Quarter Corner of said Section 23, a found Bureau of Land Management brass cap, bears North 89°53'57" West, a distance of 2643.29 feet;

thence along the South line of said Section 23, North 89°53'57" West, 776.27 feet;

thence North 00°06'03" East, a distance of 521.83 feet to a point on the westerly line of said water line easement and the POINT OF BEGINNING;

thence, along said westerly line, North 13°43'29" West, 51.74;

thence, continuing along said westerly line, North 00°36'24" East, 340.73 feet;

thence, continuing along said westerly line, North 39°38'53" East, 36.16 feet to a point on a non tangent curve, the radius of which bears North 06°45'50" West, 206.59 feet;

thence, continuing along said westerly line, northeasterly, 305.87 feet along the arc of said curve concave northwest, through a central angle of 84°49'51" to a point on a non tangent curve, the radius of which bears North 89°16'53" East, 683.25 feet;

thence, continuing along said westerly line, northerly, 30.02 feet along the arc of said curve concave east, through a central angle of 02°31'02" to a point on the north line of Aspera Boulevard as shown on said Aspera Final Plat;

thence, along said north line, North 59°02'16" East, 23.68 feet to a point on a non tangent curve being a point on the easterly line of said water line, the radius of which bears South 87°05'21" East, 663.25 feet;

thence, along said easterly line, southerly, 41.83 feet along the arc of said curve concave east, through a central angle of 03°36'48" to a point on a non tangent curve, the radius of which bears South 88°26'12" West, 226.59 feet;

thence, continuing along said easterly line, southerly, 31.01 feet along the arc of said curve concave west, through a central angle of 07°50'25";

thence, continuing along said easterly line, South 81°08'27" East, 28.08 feet;

thence, continuing along said easterly line, South 08°51'33" West, 12.00 feet;

thence, continuing along said easterly line, North 81°08'27" West, 27.85 feet to a point on a non tangent curve, the radius of which bears North 80°41'16" West, 226.59 feet;

thence, continuing along said easterly line, southwesterly, 275.62 feet along the arc of said curve concave northwest, through a central angle of 69°41'41" to a point ;

thence, continuing along said easterly line, South 09°44'22" East, 19.79 feet;

thence, continuing along said easterly line, South 80°15'38" West, 12.00 feet;

thence, continuing along said easterly line, North 09°01'06" West, 16.83 feet;

thence, continuing along said easterly line, South 39°38'53" West, 16.77 feet;

thence, continuing along said easterly line, South 00°36'24" West, 188.84 feet;

thence, continuing along said easterly line, South 89°23'36" East, 21.33 feet;

thence, continuing along said easterly line, South 00°36'24" West, 12.00 feet;

thence, continuing along said easterly line, North 89°23'36" West, 21.33 feet;

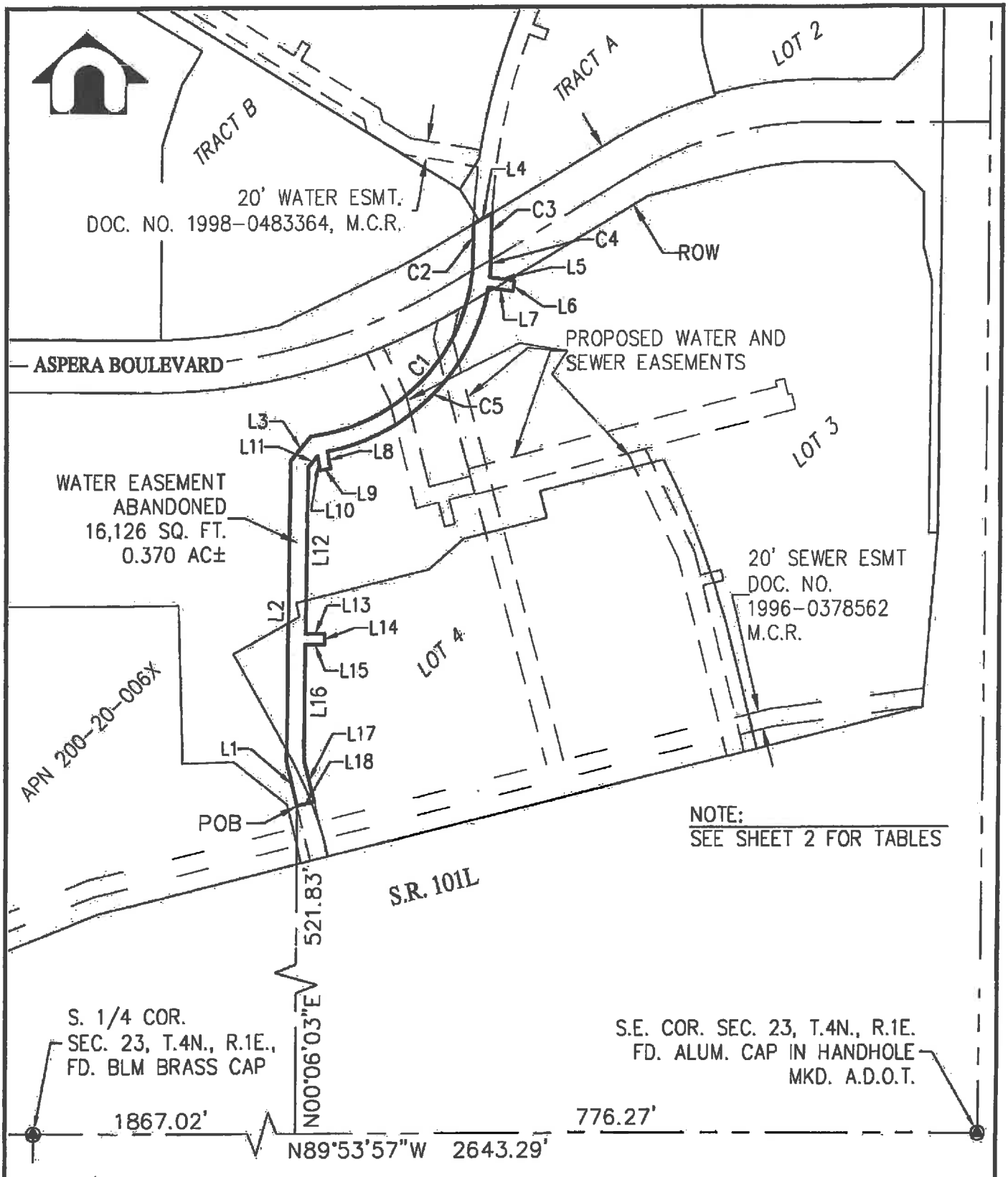
thence, continuing along said easterly line, South 00°36'24" West, 130.28 feet;

thence, continuing along said easterly line, South 13°43'29" East, 49.22 feet;

thence, leaving said easterly line, South 76°16'31" West, 20.00 feet to the POINT OF BEGINNING.

Said parcel containing 16,126 square feet or 0.370 acres, more or less.

Expires 06/30/2015



DATE: 8/2014

SCALE: 1"=150'	**WATER EASEMENT ABANDONMENT**	**DAVID EVANS AND ASSOCIATES INC.**
SHEET 1 OF 2	**DOC. NO. 1998-0483364, M.C.R**	4600 East Washington Street, Suite 430
	ASPERA BOOK 1199, PAGE 10, M.C.R.	Phoenix Arizona 85034
		Phone: 602.678.5151

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L1	N13°43'29"W	51.74'
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EASEMENT CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	CHORD BEARING	CHORD LENGTH
C1	206.59'	305.87'	84°49'51"	N40°49'15"E	278.69'
C2	683.25'	30.02'	2°31'02"	N00°32'24"E	30.02'
C3	663.25'	41.83'	3°36'48"	S01°06'14"W	41.82'
C4	226.59'	31.01'	7°50'25"	S02°21'25"W	30.98'
C5	226.59'	275.62'	69°41'41"	S44°09'35"W	258.94'

DATE: 8/2014

SCALE: N.T.S.

SHEET 2 OF 2

WATER EASEMENT ABANDONMENT
ASPERA FINAL PLAT
BOOK 1199, PAGE 10, M.C.R.

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

EXHIBIT B

When recorded, mail to
Glendale City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

QUIT CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations, the **City of Glendale, an Arizona municipal corporation**, does hereby quitclaim to CDG JOY I, LLC, an Arizona limited liability company, any and all right, title and interest to and in that certain parcel of Real Property situated in Maricopa County and described as follows:

See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

_____
Notary Public

My commission expires:

20250 N. 75th Ave

EXHIBIT A

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COMMENCING at the Southeast Corner of said Section 23, being a found Arizona Department of Transportation aluminum cap in a handhole, from which the South Quarter Corner of said Section 23, a found Bureau of Land Management brass cap, bears North 89°53'57" West, a distance of 2643.29 feet;

thence along the South line of said Section 23, North 89°53'57" West, 776.27 feet;

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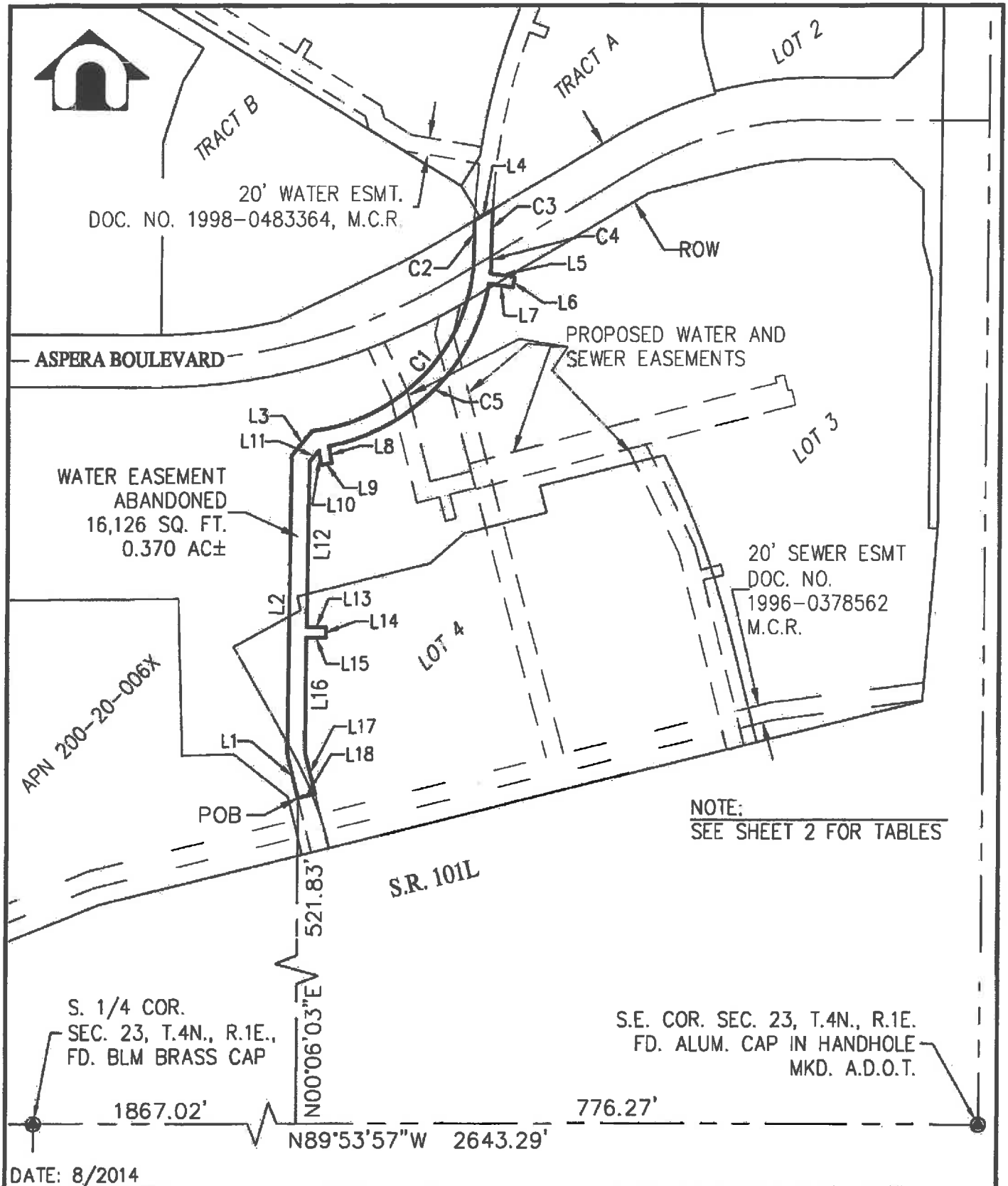

DATE: 8/2014

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SCALE: *N.T.S.*

SHEET *2 OF 2*

WATER EASEMENT ABANDONMENT
ASPERA FINAL PLAT
BOOK 1199, PAGE 10, M.C.R.

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When recorded, mail to
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See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

_____
Notary Public

My commission expires:

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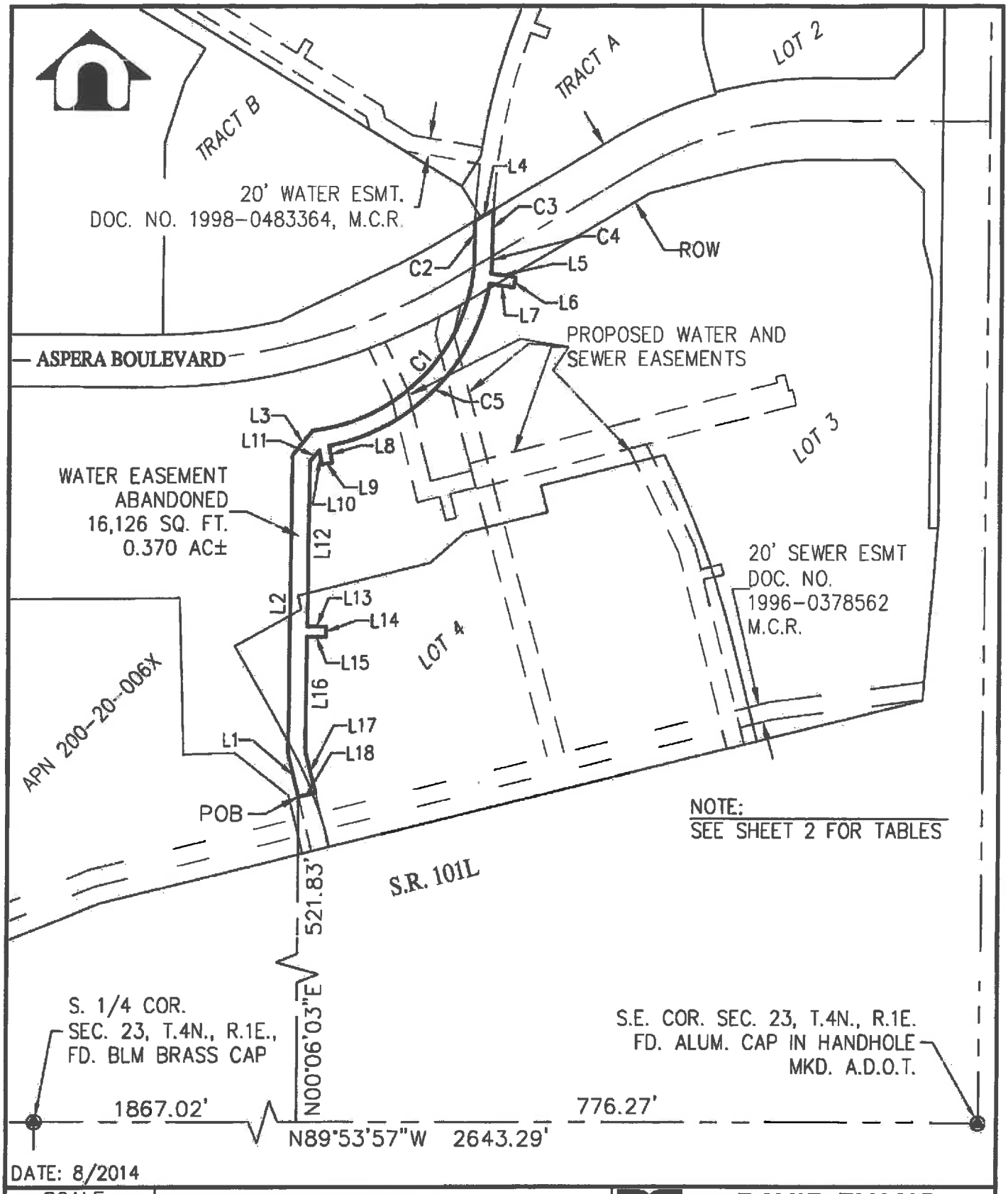

DATE: 8/2014

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WATERLINE EASEMENT TO BE ABANDONED

GLENDALE AZ

File #: 14-481, **Version:** 1

ABANDONMENT OF PATENT EASEMENTS WEST OF 75TH AVENUE AND SOUTH OF ROSE GARDEN LANE
Staff Contact: Jack Friedline, Director, Public Works

Purpose and Recommended Action

This is a request for City Council to waive reading beyond the title and adopt an ordinance abandoning four federal patent easements approximately 1,000 feet west of 75th Avenue and south of Rose Garden Lane.

Background

In 1954 and 1955, the United States of America was granted four federal patent easements for roadway access and public utilities installation by four adjacent landowners. The easements were accepted by the city upon annexation of these parcels in 1979. The easements, which were never used by the city for access or utilities installation, are not needed for the welfare and safety of city residents. The Aspera developer has requested the abandonment of these easements to avoid conflicts with the proposed Aspera buildings and infrastructure.

Analysis

Staff recommends the abandonment of these four patent easements. There will be no impact on city departments, staff or service levels as a result of this action. There are no costs incurred to the city for this action.

Previous Related Council Action

City Council took action to accept and take title to these easements per Ordinance No. 1092, passed, adopted and approved by City Council on September 11, 1979.

ORDINANCE NO. 2924 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE ABANDONMENT OF **PATENT EASEMENTS LOCATED APPROXIMATELY 1000 FEET WEST OF 75TH AVENUE AND SOUTH OF ROSE GARDEN LANE**; AND DIRECTING THE CITY CLERK TO RECORD A CERTIFIED COPY OF THIS ORDINANCE.

WHEREAS, on July 21, 1954, August 20, 1954, September 24, 1954, and September 13, 1955, the United States of America granted patent easements over and across certain real property located in the City of Glendale at approximately 1000 feet west of 75th Avenue and south of Rose Garden lane and described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, upon information and belief, the Glendale City Council took action to accept these easements and to execute any legal instrument taking title to this easement per Ordinance 1092 New Series, passed, adopted and approved by City Council on September 11, 1979; and

WHEREAS, the City has determined it is the public interest to abandon these federal patent easements in accordance with A.R.S. §9-500.24 and abandons such easements at the request of the dominant property owner, after notifying and obtaining the consent of all affected utilities, and after determining that the easements are not being used by the public and are no longer necessary;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. The City hereby abandons the federal patent easement dated July 24, 1954 (Patent No. 1145641), which was recorded in the records of the Maricopa County Recorder's Office August 16, 1954, at Docket No. 1411, Page 256, the federal patent easements dated August 20, 1954 (Patent No. 1146747) and September 24, 1954 (Patent No. 1146882), which were recorded in the records of the Maricopa County Recorder's Office on May 21, 1959, at Docket No. 2871, Pages 392-393, and the federal patent easement dated September 13, 1955 (Patent No. 1154248), which was recorded in the records of the Maricopa County Recorder's Office on August 1, 1962, at Docket No. 1962, Page 328 to the underlying, dominant property owners, SCHOOL CAMPUS, LLC and CDG JOY I, LLC. Such abandonment and re-conveyance of said federal patent easements shall take effect immediately upon the City Council's passage of this ordinance. Title to the released property shall vest in the underlying landowners as provided by law.

SECTION 2. Further, the City has determined it is the public interest to abandon these federal patent easements in accordance with A.R.S. §9-500.24 and abandons such easements at the request of the dominant property owner, after notifying and obtaining the consent of all affected utilities, and after determining that the easements are not being used by the public.

SECTION 3. Further, as required by A.R.S. §9-500.24, the City is abandoning these patent easements in the same manner as other easements are abandoned by the City. In accordance with A.R.S. §9-402(E), the City is not receiving payment for such abandonment and re-conveyance of the City's interest in the patent easements to the underlying, dominant property owners, SCHOOL CAMPUS, LLC and CDG JOY I, LLC**.** The City has determined that the property is of little or no commercial or economic value and that the City no longer needs these patent easements to protect the health, welfare and safety of its citizens.

SECTION 4. The Council hereby instructs the City Manager to execute the Quit Claim Deeds, which are attached hereto as Exhibits B and C, granting and re-conveying the easements described therein to SCHOOL CAMPUS, LLC and CDG JOY I, LLC, respectively.

SECTION 5. The City Clerk is accordingly 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

EXHIBIT A

EXHIBIT B

EXHIBIT C

EXHIBIT A

LEGAL DESCRIPTION
ABANDONMENT OF PATENT EASEMENTS
CITY OF GLENDALE
ARIZONA

The 33 foot wide roadway and public utility right-of-way easement situated in the west half of the northeast quarter of the northwest quarter of the southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1145641, official files of the Bureau of Land Management, and recorded in Docket 1411, Page 256, records of Maricopa County.

TOGETHER WITH

The 33 foot wide roadway and public utility right-of-way easement situated in the east half of the northeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1154248, official files of the Bureau of Land Management, and recorded in Docket 1962, Page 328, records of Maricopa County.

TOGETHER WITH

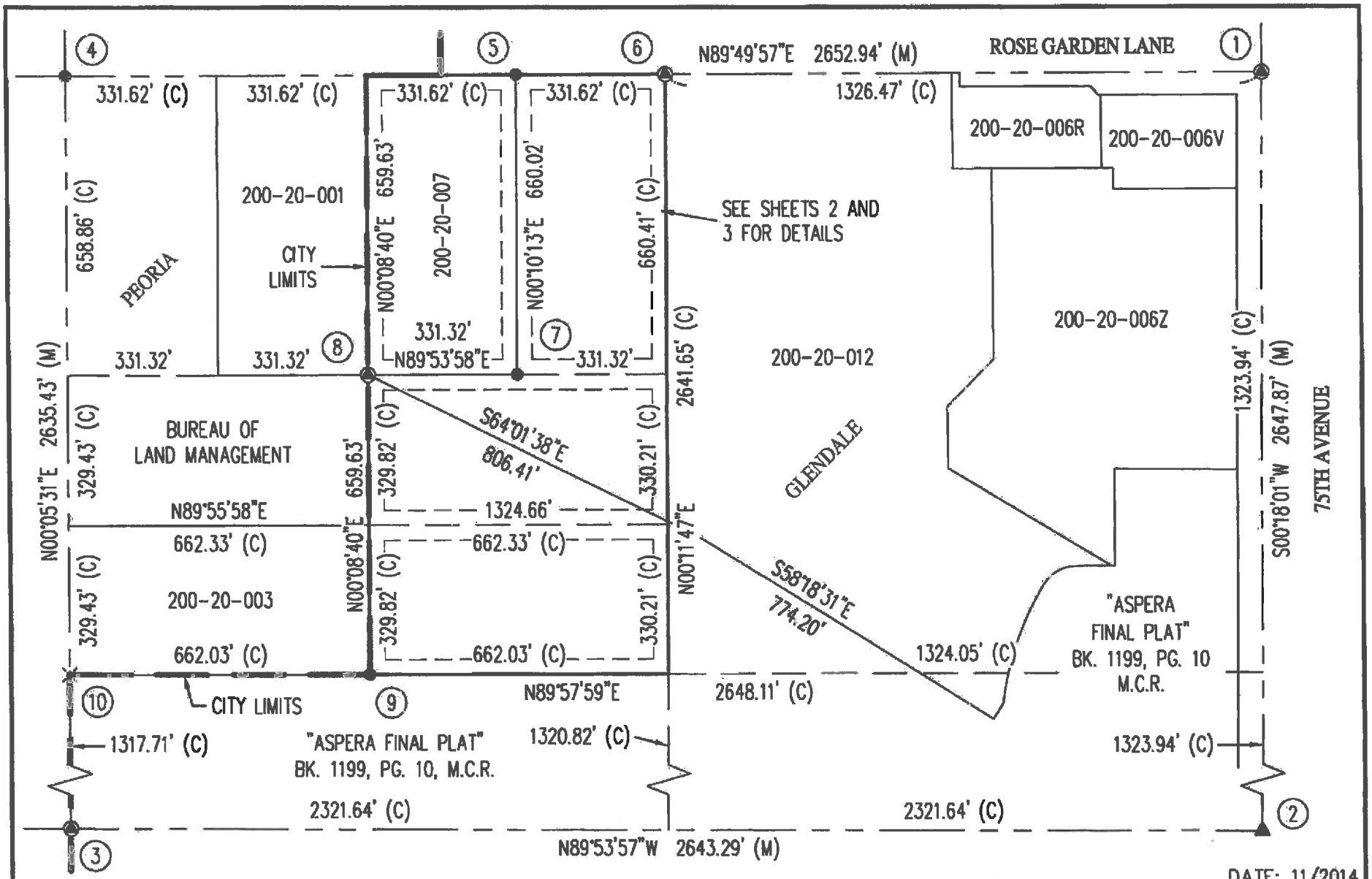
The 33 foot wide roadway and public utility right-of-way easement situated in the north half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146328, official files of the Bureau of Land Management.

TOGETHER WITH

The 33 foot wide roadway and public utility right-of-way easement situated in the south half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146882, official files of the Bureau of Land Management, and recorded in Docket 2871, Page 392, records of Maricopa County.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
53474
ROBERT C.
HUFF
Date Signed
11-18-14
ARIZONA U.S.A.

EXP: 6/30/15



DATE: 11/2014

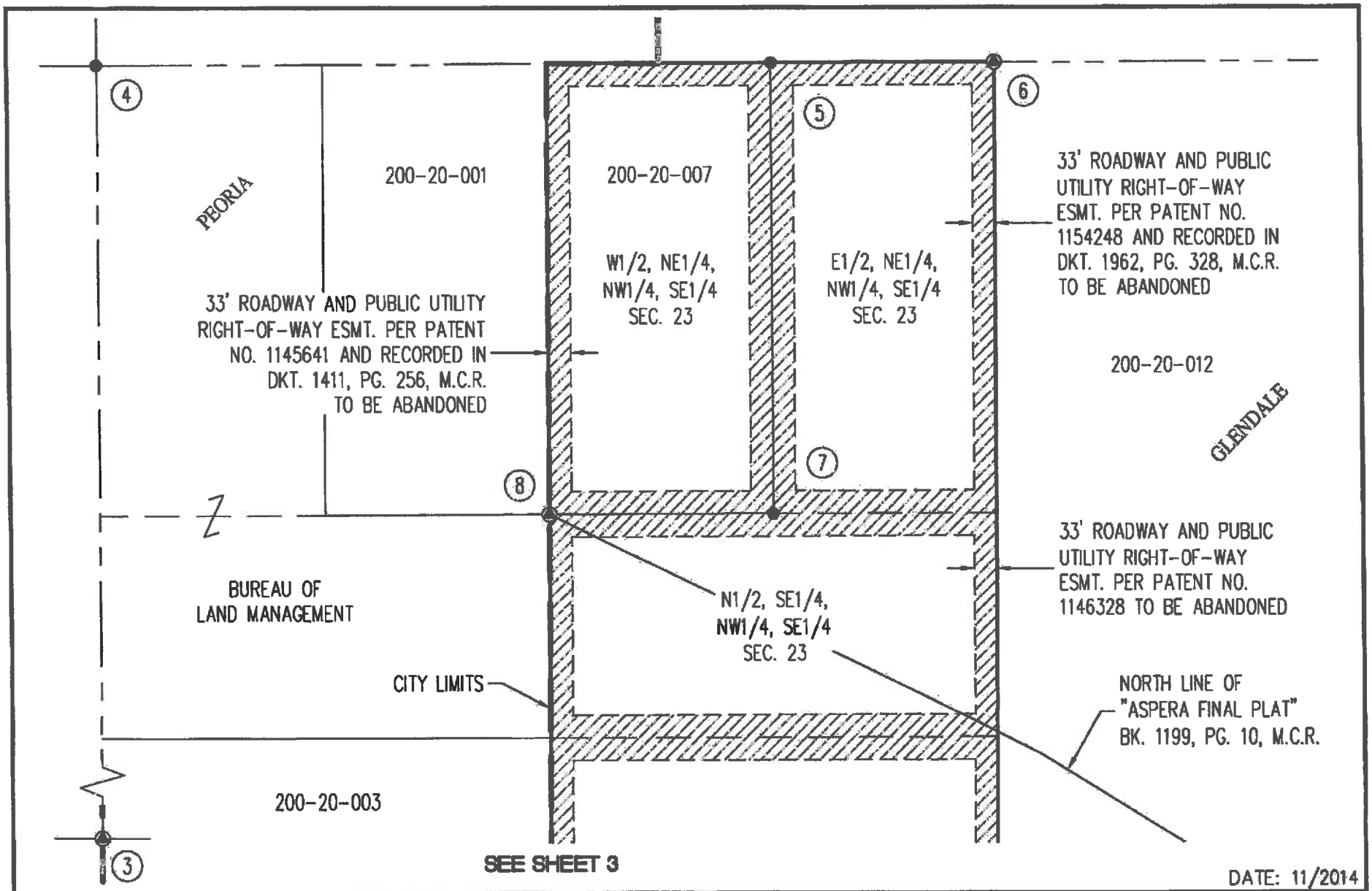
SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=300'

PAGE
1 OF 4

ABANDONMENT OF PATENT EASEMENTS
NW 1/4, SE 1/4, SEC 23, T4N, R1E, G&SRM
GLENDALE, ARIZONA

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151



DATE: 11/2014

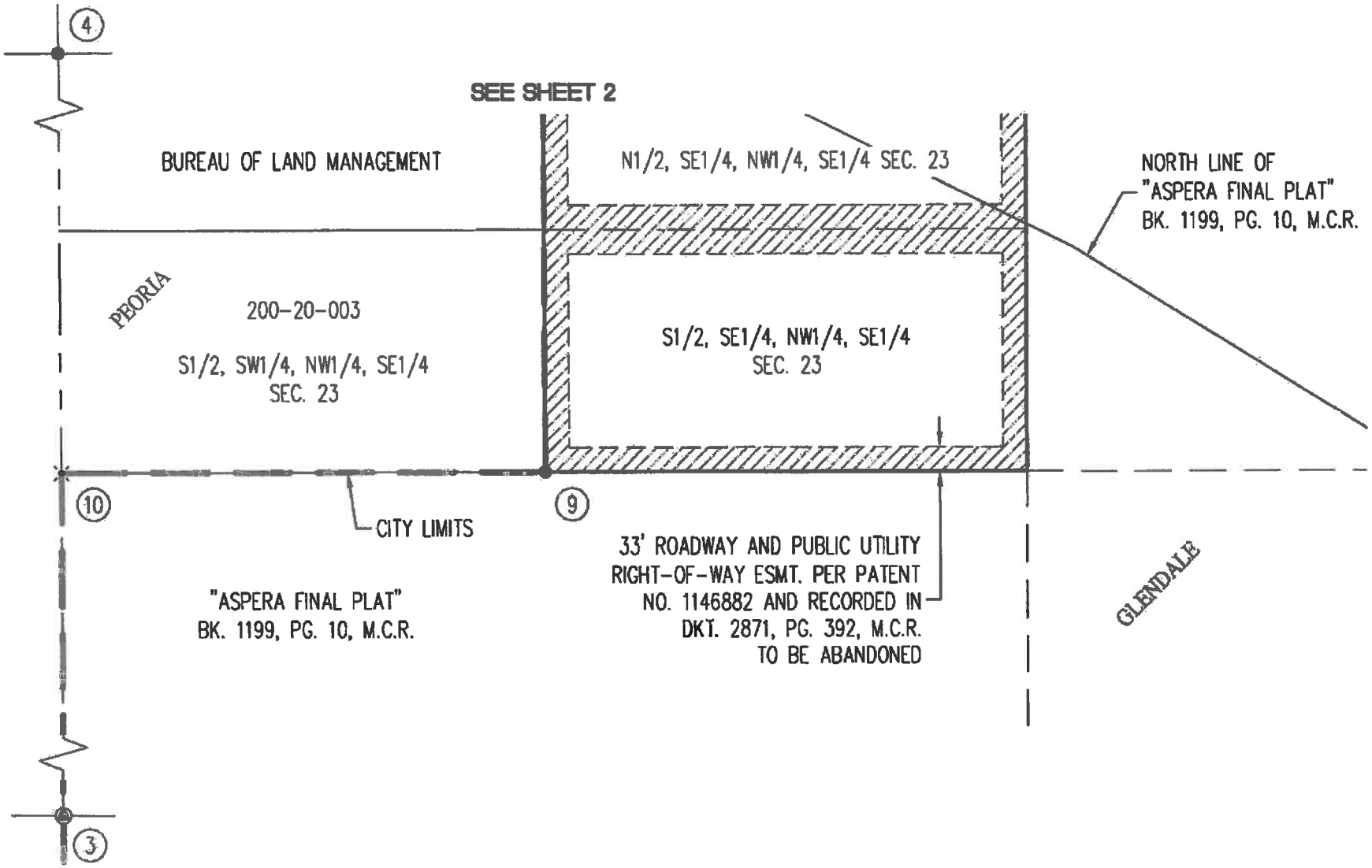
PORTION OF NW 1/4, SE 1/4 SECTION 23 T4N, R1E

SCALE: 1"=200'

PAGE 2 OF 4

ABANDONMENT OF PATENT EASEMENTS
NW 1/4, SE 1/4, SEC 23, T4N, R1E, G&SRM
GLENDALE, ARIZONA

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151



DATE: 11/2014

PORTION OF
NW 1/4, SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=200'

PAGE
3 OF 4

ABANDONMENT OF PATENT EASEMENTS
NW 1/4, SE 1/4, SEC 23, T4N, R1E, G&SRM
GLENDALE, ARIZONA

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

FOUND SURVEY MONUMENT INVENTORY

(1) E. 1/4 COR. SEC. 23, T.4N., R.1E., FD. CITY OF GLENDALE BRASS CAP IN HANDHOLE

(2) SE. COR. SEC. 23, T.4N., R.1E., FD. A.D.O.T. ALUM. CAP IN HANDHOLE

(3) S. 1/4 COR. SEC. 23, T.4N., R.1E., FD. BLM BRASS CAP

(4) CENTER OF SEC. 23, T.4N., R.1E., FD. IRON ROD

(5) FD. 1/2" REBAR W/ CAP MARKED "RLS 34862"

(6) FD. CITY OF GLENDALE BRASS CAP FLUSH

(7) FD. 1/2" REBAR W/ CAP MARKED "RLS 16116"

(8) FD. BLM BRASS CAP

(9) FD. 1/2" REBAR W/ CAP MARKED "RLS 14959"

(10) FD. NAIL W/ WASHER MARKED "SPRINGER RLS 34399"

LEGEND

BLM	BUREAU OF LAND MANAGEMENT
G&SRM	GILA & SALT RIVER MERIDIAN
A.D.O.T.	AZ DEPARTMENT OF TRANSPORTATION
M.C.R.	MARICOPA COUNTY RECORDER
ESMT.	EASEMENT
FD.	FOUND
BK.	BOOK
PG.	PAGE

DATE: 11/2014

SCALE: *NTS* PAGE *4 OF 4*	**ABANDONMENT OF PATENT EASEMENTS** **NW 1/4, SE 1/4, SEC 23, T4N, R1E, G&SRM** **GLENDALE, ARIZONA**	DAVID EVANS AND ASSOCIATES INC. 4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

EXHIBIT B

When recorded, mail to
Glendale City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

QUIT CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations, the **City of Glendale, an Arizona municipal corporation**, does hereby quitclaim to SCHOOL CAMPUS, LLC an Arizona limited liability company, any and all right, title and interest to and in that certain parcel of Real Property situated in Maricopa County and described as follows:

See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

_____
Notary Public

My commission expires:

20250 N. 75th Ave

LEGAL DESCRIPTION
SCHOOL CAMPUS, LLC
RELEASE OF PATENT EASEMENTS

The 33 foot wide roadway and public utility right-of-way easement situated in the west half of the northeast quarter of the northwest quarter of the southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1145641, official files of the Bureau of Land Management.

TOGETHER WITH

The 33 foot wide roadway and public utility right-of-way easement situated in the east half of the northeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1154248, official files of the Bureau of Land Management, and recorded in Docket 1962, Page 328, records of Maricopa County.

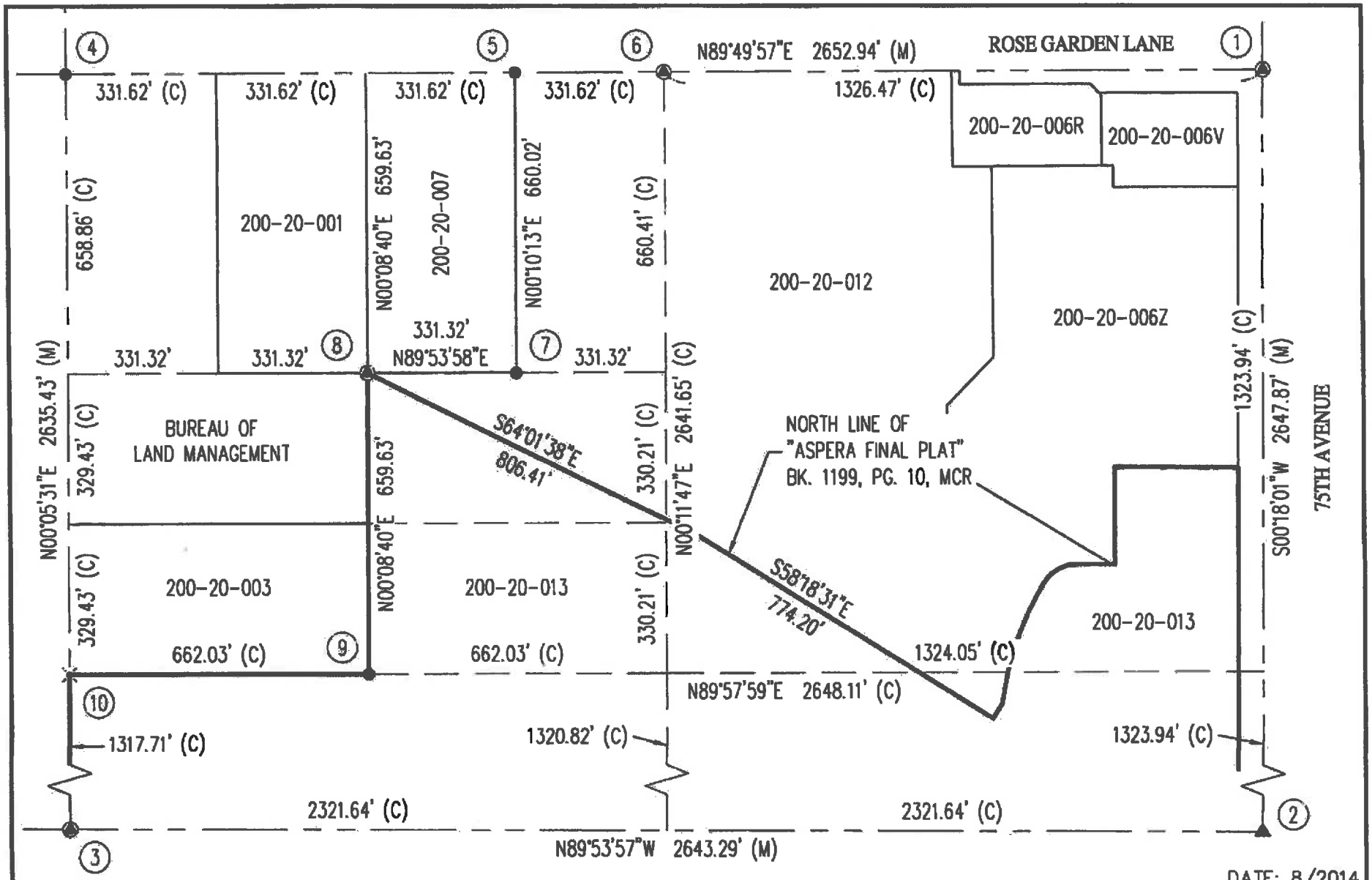
TOGETHER WITH

A portion of the 33 foot wide roadway and public utility right-of-way easement situated in the north half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146328, official files of the Bureau of Land Management, and located north of the north line of "Aspera Final Plat" as shown in Book 1199, Page 10, records of Maricopa County, said north line being described as follows:

BEGINING at a BLM brass cap found at the northwest corner of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, from which a rebar with cap marked "RLS 14959" found at the southwest corner thereof bears South 00°08'40" West, 659.63 feet;

thence along the north line of said "Aspera Final Plat", South 64°01'38" East, 806.41 feet to the POINT OF TERMINATION of the herein described north line of said "Aspera Final Plat".

HCP: 6/30/15



DATE: 8/2014

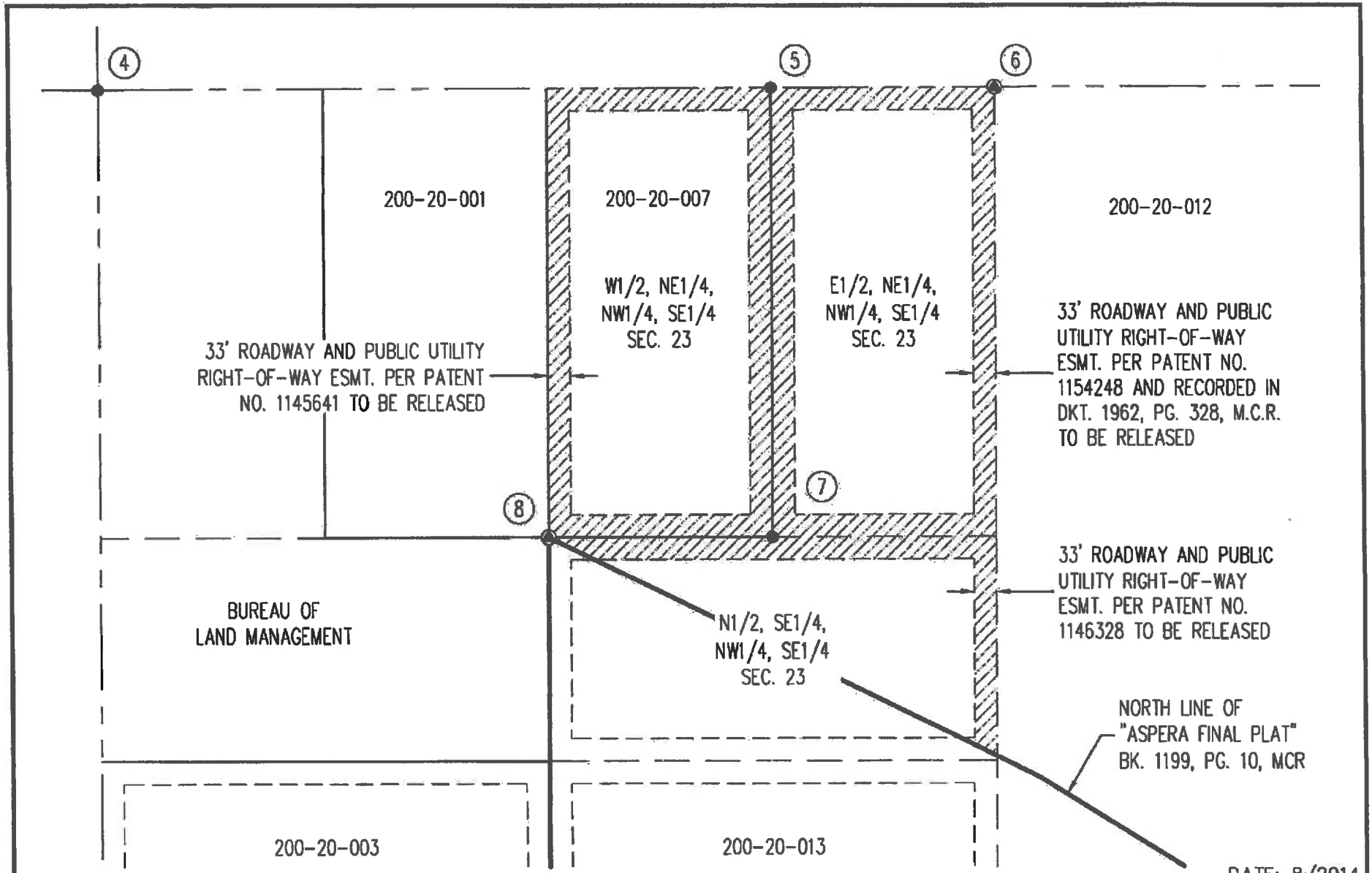
SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=300'

PAGE
1 OF 3

SCHOOL CAMPUS, LLC
RELEASE OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizóna 85034
Phone: 602.678.5151



DATE: 8/2014

PORTION OF NW 1/4, SE 1/4 SECTION 23 T4N, R1E

SCALE: 1"=200'

PAGE 2 OF 3

SCHOOL CAMPUS, LLC
RELEASE OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

FOUND SURVEY MONUMENT INVENTORY

(1) E. 1/4 COR. SEC. 23, T.4N., R.1E., FD. CITY OF GLENDALE BRASS CAP IN HANDHOLE

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(3) S. 1/4 COR. SEC. 23, T.4N., R.1E., FD. BLM BRASS CAP

(4) CENTER OF SEC. 23, T.4N., R.1E., FD. IRON ROD

(5) FD. 1/2" REBAR W/ CAP MARKED "RLS 34862"

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(8) FD. BLM BRASS CAP

(9) FD. 1/2" REBAR W/ CAP MARKED "RLS 14959"

(10) FD. NAIL W/ WASHER MARKED "SPRINGER RLS 34399"

DATE: 8/2014

SCALE: *NTS* PAGE *3* OF *3*	**SCHOOL CAMPUS, LLC** **RELEASE OF PATENT EASEMENTS** **GLENDALE, AZ**	**DAVID EVANS AND ASSOCIATES INC.** 4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

EXHIBIT C

When recorded, mail to
Glendale City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

QUIT CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations, the **City of Glendale, an Arizona municipal corporation**, does hereby quitclaim to CDG JOY I, LLC, an Arizona limited liability company, any and all right, title and interest to and in that certain parcel of Real Property situated in Maricopa County and described as follows:

See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

_____
Notary Public

My commission expires:

20250 N. 75th Ave

LEGAL DESCRIPTION
CDG JOY I, LLC
ABANDONMENT OF PATENT EASEMENTS

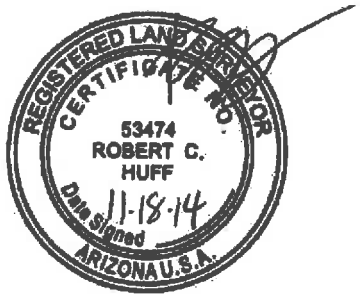
The 33 foot wide roadway and public utility right-of-way easement situated in the south half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146882, official files of the Bureau of Land Management, and recorded in Docket 2871, Page 392, records of Maricopa County.

TOGETHER WITH

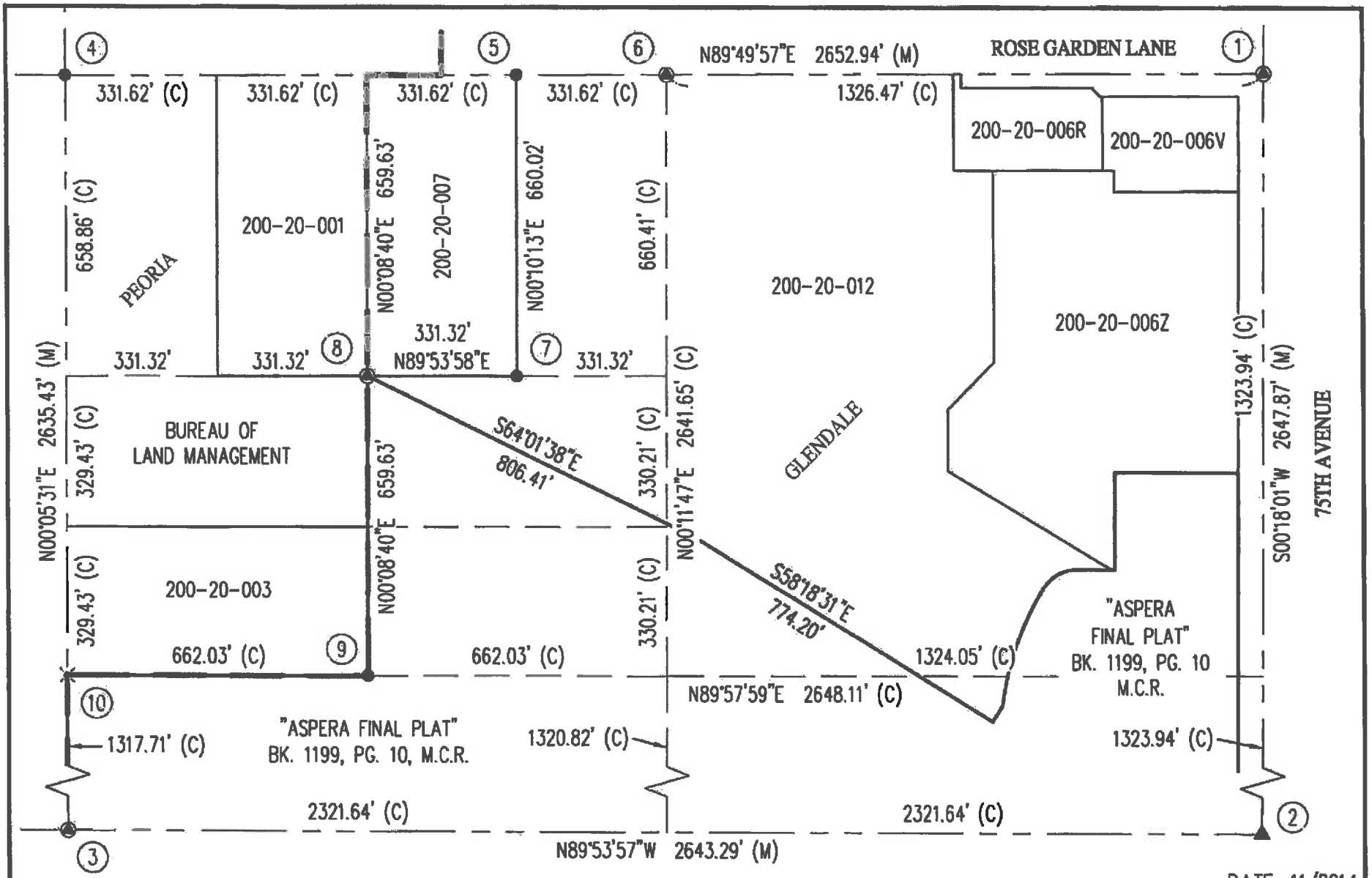
A portion of the 33 foot wide roadway and public utility right-of-way easement situated in the north half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146328, official files of the Bureau of Land Management, and located south of the north line of "Aspera Final Plat" as shown in Book 1199, Page 10, records of Maricopa County, said north line being described as follows:

BEGINING at a BLM brass cap found at the northwest corner of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, from which a rebar with cap marked "RLS 14959" found at the southwest corner thereof bears South 00°08'40" West, 659.63 feet;

thence along the north line of said "Aspera Final Plat", South 64°01'38" East, 806.41 feet to the POINT OF TERMINATION of the herein described north line of said "Aspera Final Plat".



Exp: 6/30/15



DATE: 11/2014

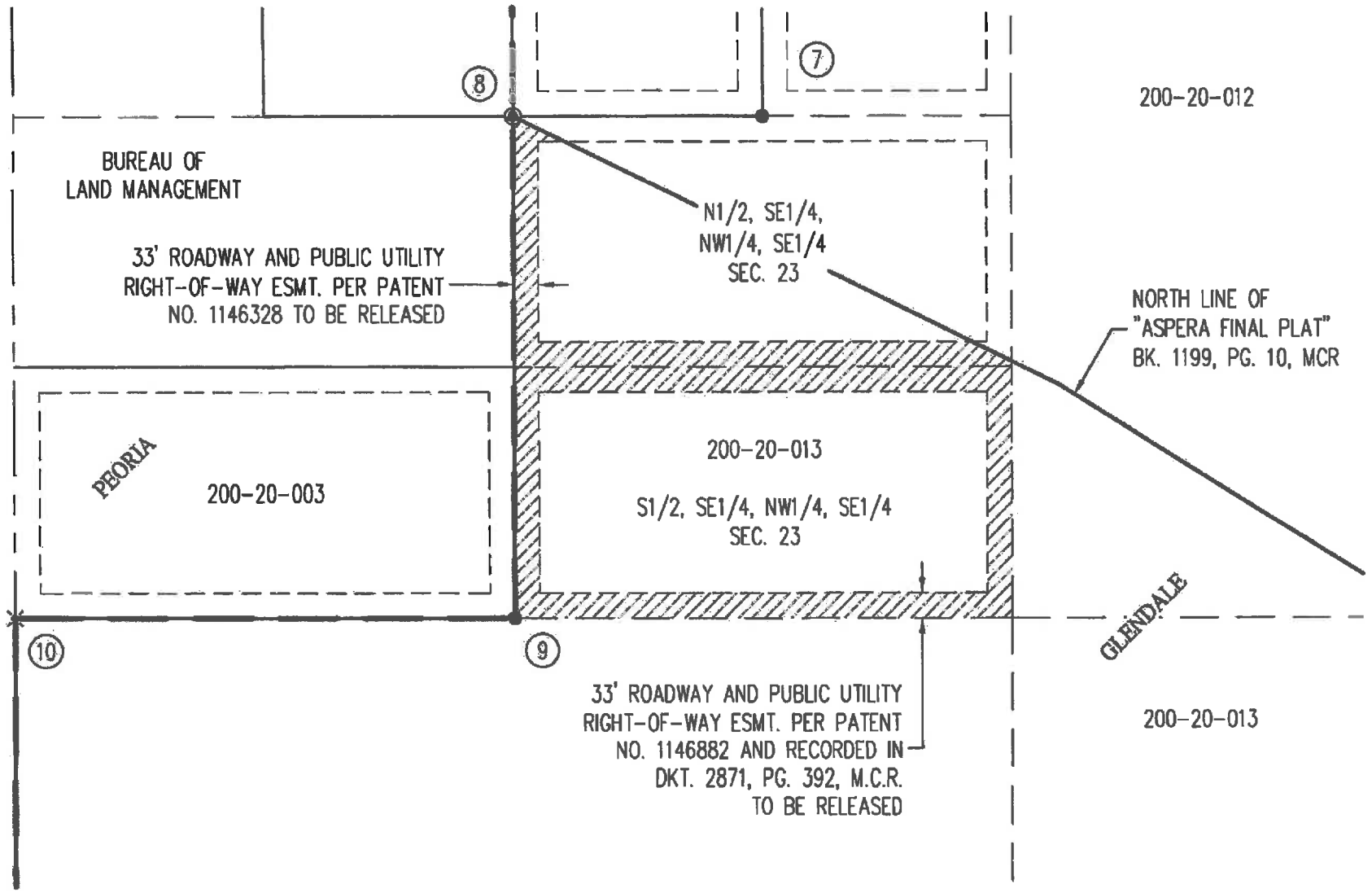
SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=300'

PAGE
1 OF 3

CDG JOY I, LLC
ABANDONMENT OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151



DATE: 11/2014

PORTION OF
NW 1/4, SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=200'

PAGE
2 OF 3

CDG JOY I, LLC
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GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
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Phoenix Arizona 85034
Phone: 602.678.5151

FOUND SURVEY MONUMENT INVENTORY

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(3) S. 1/4 COR. SEC. 23, T.4N., R.1E., FD. BLM BRASS CAP

(4) CENTER OF SEC. 23, T.4N., R.1E., FD. IRON ROD

(5) FD. 1/2" REBAR W/ CAP MARKED "RLS 34862"

(6) FD. CITY OF GLENDALE BRASS CAP FLUSH

(7) FD. 1/2" REBAR W/ CAP MARKED "RLS 16116"

(8) FD. BLM BRASS CAP

(9) FD. 1/2" REBAR W/ CAP MARKED "RLS 14959"

(10) FD. NAIL W/ WASHER MARKED "SPRINGER RLS 34399"

DATE: 11/2014

SCALE: *NTS* PAGE *3* OF *3*	**CDG JOY I, LLC** **ABANDONMENT OF PATENT EASEMENTS** **GLENDALE, AZ**	**DAVID EVANS AND ASSOCIATES INC.** 4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

When recorded, mail to
Glendale City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

QUIT CLAIM DEED

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See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

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Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

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Notary Public

My commission expires:

20250 N. 75th Ave

LEGAL DESCRIPTION
SCHOOL CAMPUS, LLC
RELEASE OF PATENT EASEMENTS

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TOGETHER WITH

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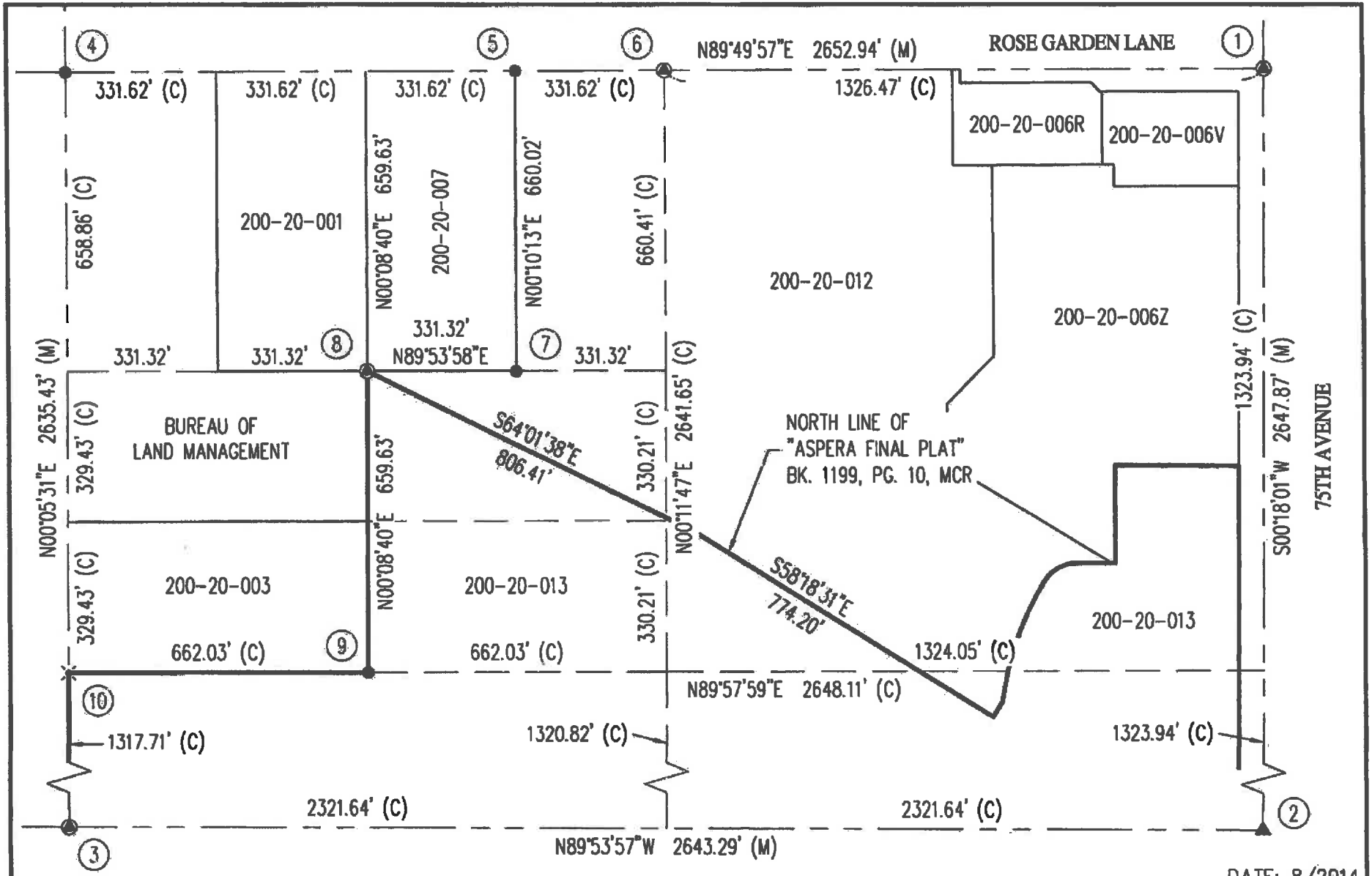
RCH: 6/30/15



DATE: 8/2014

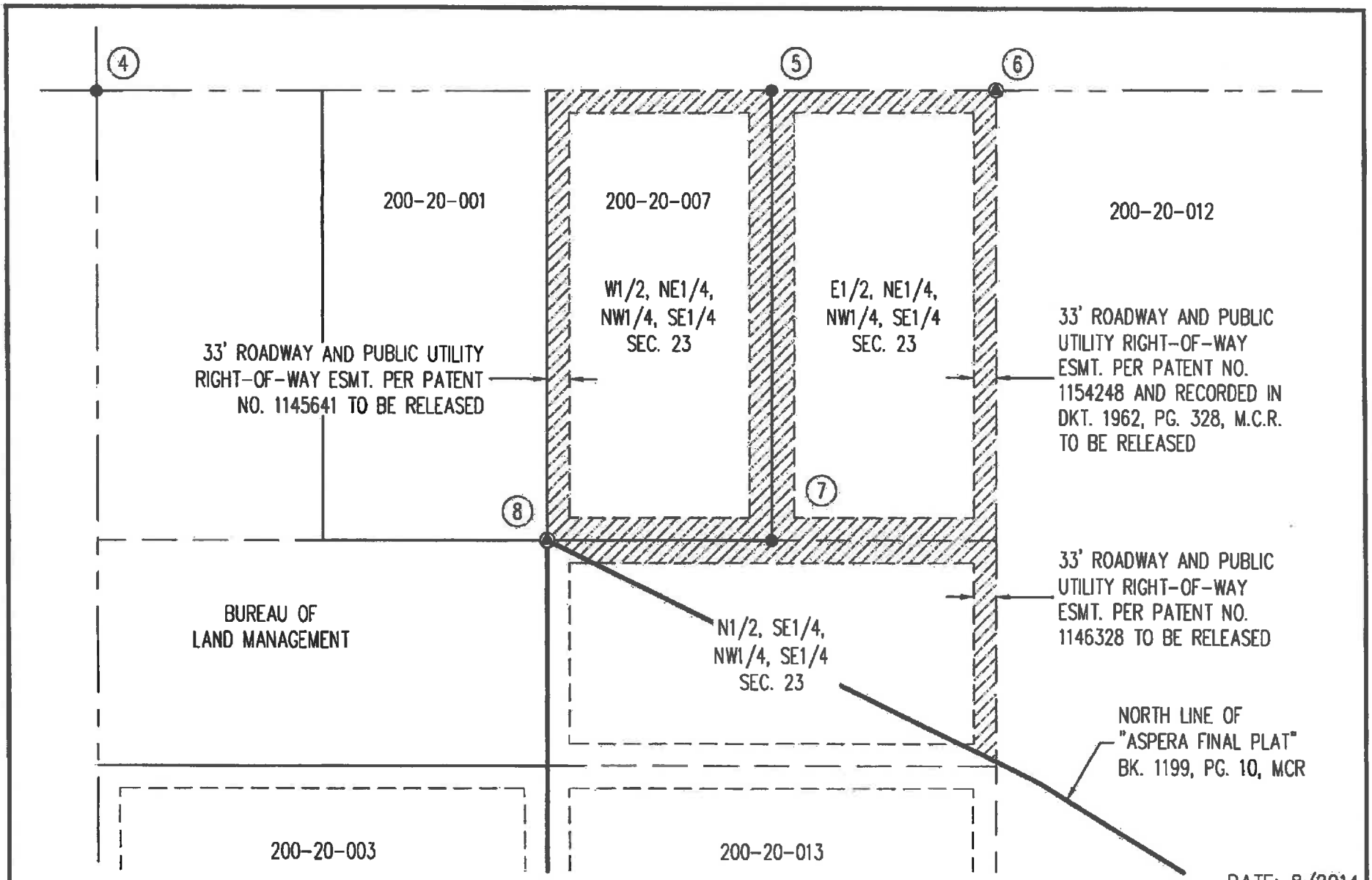
SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=300'

PAGE
1 OF 3

SCHOOL CAMPUS, LLC
RELEASE OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizóna 85034
Phone: 602.678.5151



DATE: 8/2014

PORTION OF NW 1/4, SE 1/4 SECTION 23 T4N, R1E

SCALE: 1"=200'

PAGE 2 OF 3

SCHOOL CAMPUS, LLC
RELEASE OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

FOUND SURVEY MONUMENT INVENTORY

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(10) FD. NAIL W/ WASHER MARKED "SPRINGER RLS 34399"

DATE: 8/2014

SCALE: *NTS* PAGE *3* OF *3*	**SCHOOL CAMPUS, LLC** **RELEASE OF PATENT EASEMENTS** **GLENDALE, AZ**	**DAVID EVANS AND ASSOCIATES INC.** 4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

When recorded, mail to
Glendale City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

QUIT CLAIM DEED

For the consideration of Ten Dollars, and other valuable considerations, the **City of Glendale, an Arizona municipal corporation,** does hereby quitclaim to CDG JOY I, LLC, an Arizona limited liability company, any and all right, title and interest to and in that certain parcel of Real Property situated in Maricopa County and described as follows:

See Attached Description, "Exhibit A"

Dated this _____day of _____, 20____.

_____
Brenda S. Fischer
City Manager

Exempt Pursuant to A.R.S.§11-1134 (A)(3)

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this_____ day of _____, 20____ by Brenda S. Fischer, City Manager for the City of Glendale, who acknowledged that she executed this instrument for the purposes therein contained.

_____
Notary Public

My commission expires:

20250 N. 75th Ave

LEGAL DESCRIPTION
CDG JOY I, LLC
ABANDONMENT OF PATENT EASEMENTS

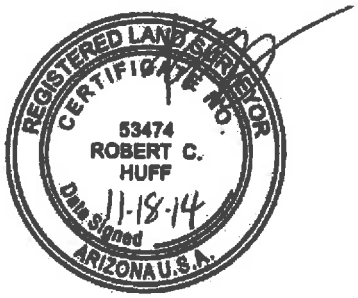
The 33 foot wide roadway and public utility right-of-way easement situated in the south half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146882, official files of the Bureau of Land Management, and recorded in Docket 2871, Page 392, records of Maricopa County.

TOGETHER WITH

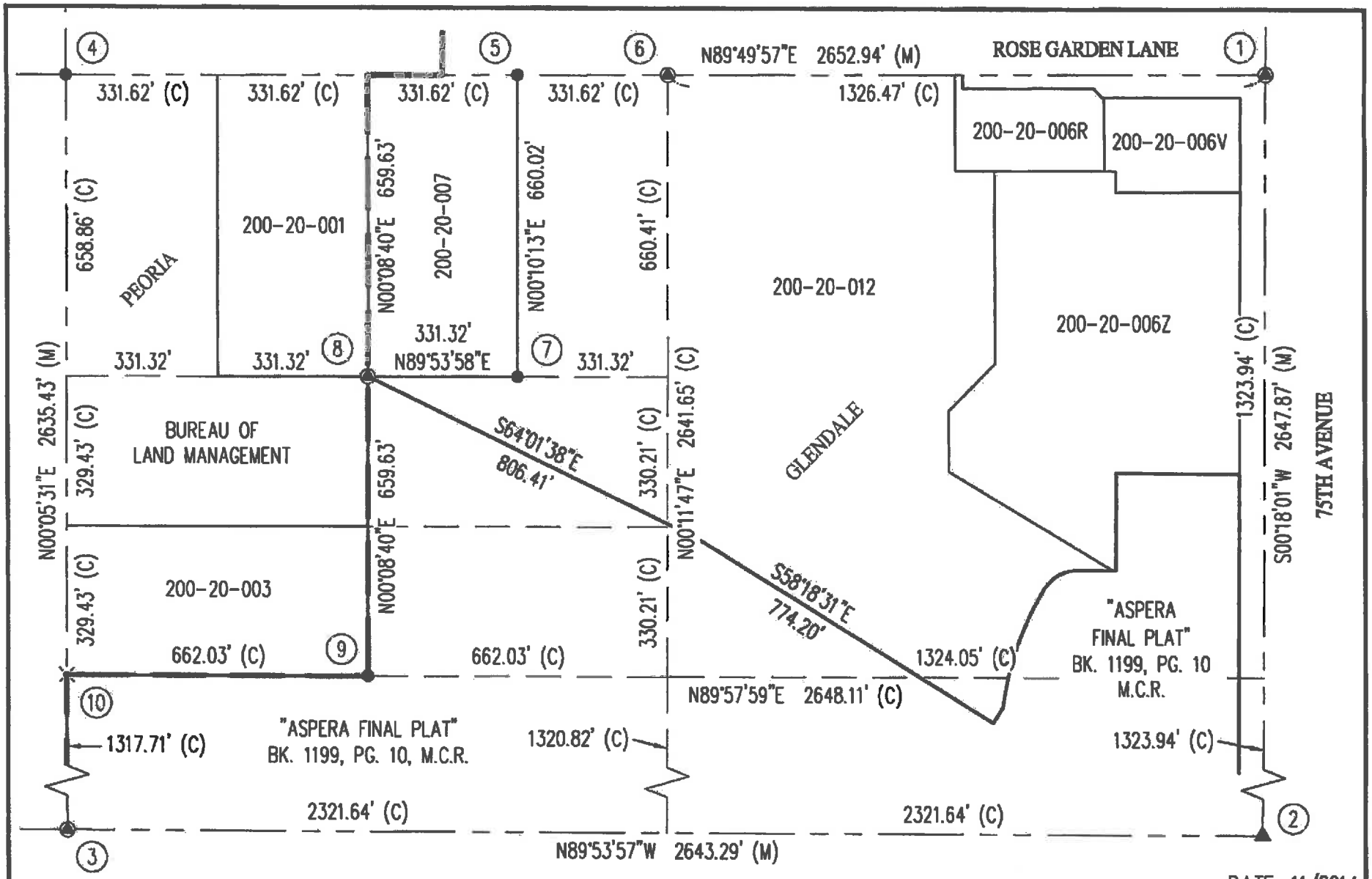
A portion of the 33 foot wide roadway and public utility right-of-way easement situated in the north half of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona, as described in Patent No. 1146328, official files of the Bureau of Land Management, and located south of the north line of "Aspera Final Plat" as shown in Book 1199, Page 10, records of Maricopa County, said north line being described as follows:

BEGINING at a BLM brass cap found at the northwest corner of the southeast quarter of the northwest quarter of the southeast quarter of said Section 23, from which a rebar with cap marked "RLS 14959" found at the southwest corner thereof bears South 00°08'40" West, 659.63 feet;

thence along the north line of said "Aspera Final Plat", South 64°01'38" East, 806.41 feet to the POINT OF TERMINATION of the herein described north line of said "Aspera Final Plat".



Exp: 6/30/15



DATE: 11/2014

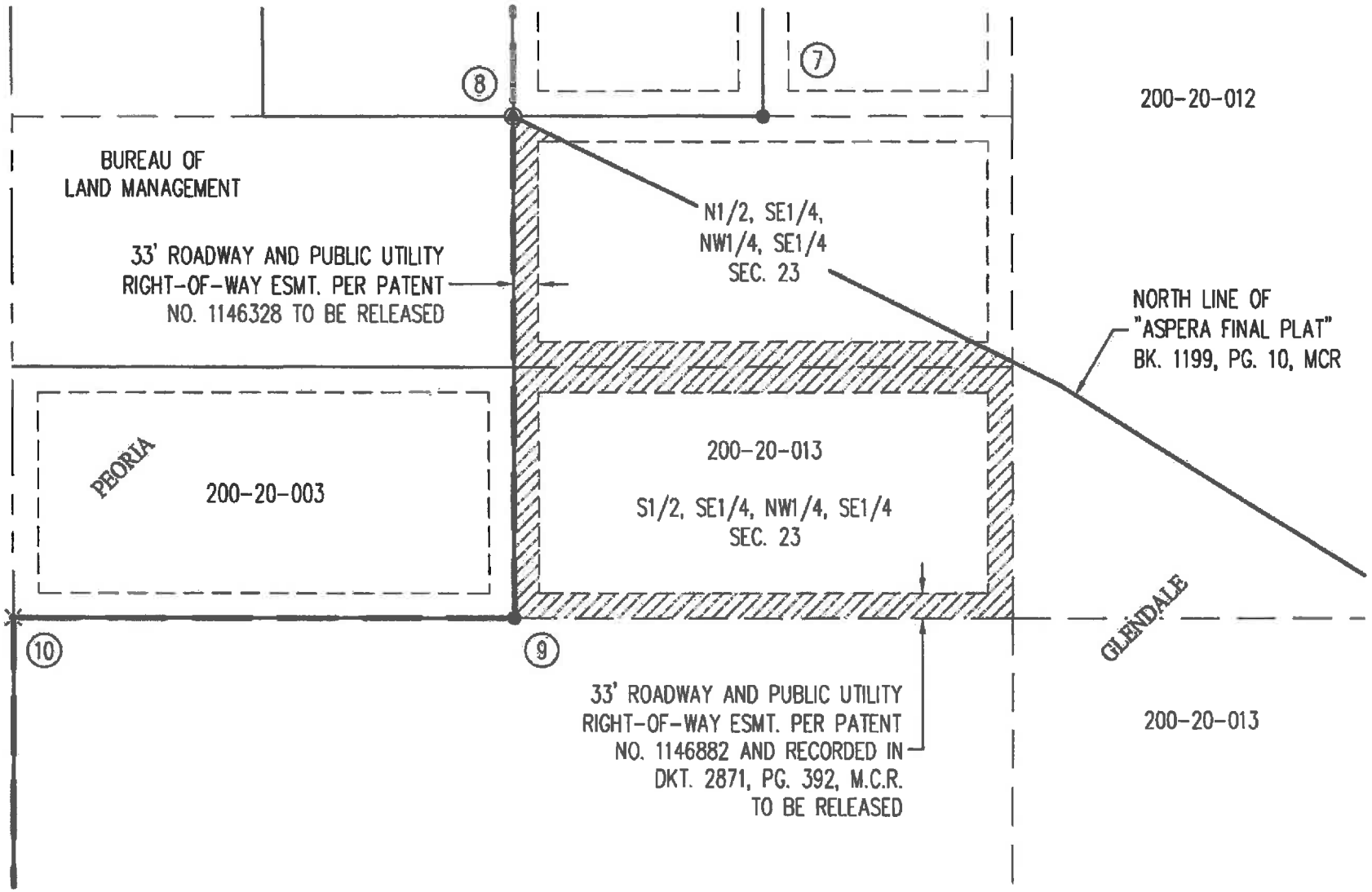
SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=300'

PAGE
1 OF 3

CDG JOY I, LLC
ABANDONMENT OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151



DATE: 11/2014

PORTION OF
NW 1/4, SE 1/4
SECTION 23
T4N, R1E

SCALE:
1"=200'

PAGE
2 OF 3

CDG JOY I, LLC
ABANDONMENT OF PATENT EASEMENTS
GLENDALE, AZ

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

FOUND SURVEY MONUMENT INVENTORY

(1) E. 1/4 COR. SEC. 23, T.4N., R.1E., FD. CITY OF GLENDALE BRASS CAP IN HANDHOLE

(2) SE. COR. SEC. 23, T.4N., R.1E., FD. A.D.O.T. ALUM. CAP IN HANDHOLE

(3) S. 1/4 COR. SEC. 23, T.4N., R.1E., FD. BLM BRASS CAP

(4) CENTER OF SEC. 23, T.4N., R.1E., FD. IRON ROD

(5) FD. 1/2" REBAR W/ CAP MARKED "RLS 34862"

(6) FD. CITY OF GLENDALE BRASS CAP FLUSH

(7) FD. 1/2" REBAR W/ CAP MARKED "RLS 16116"

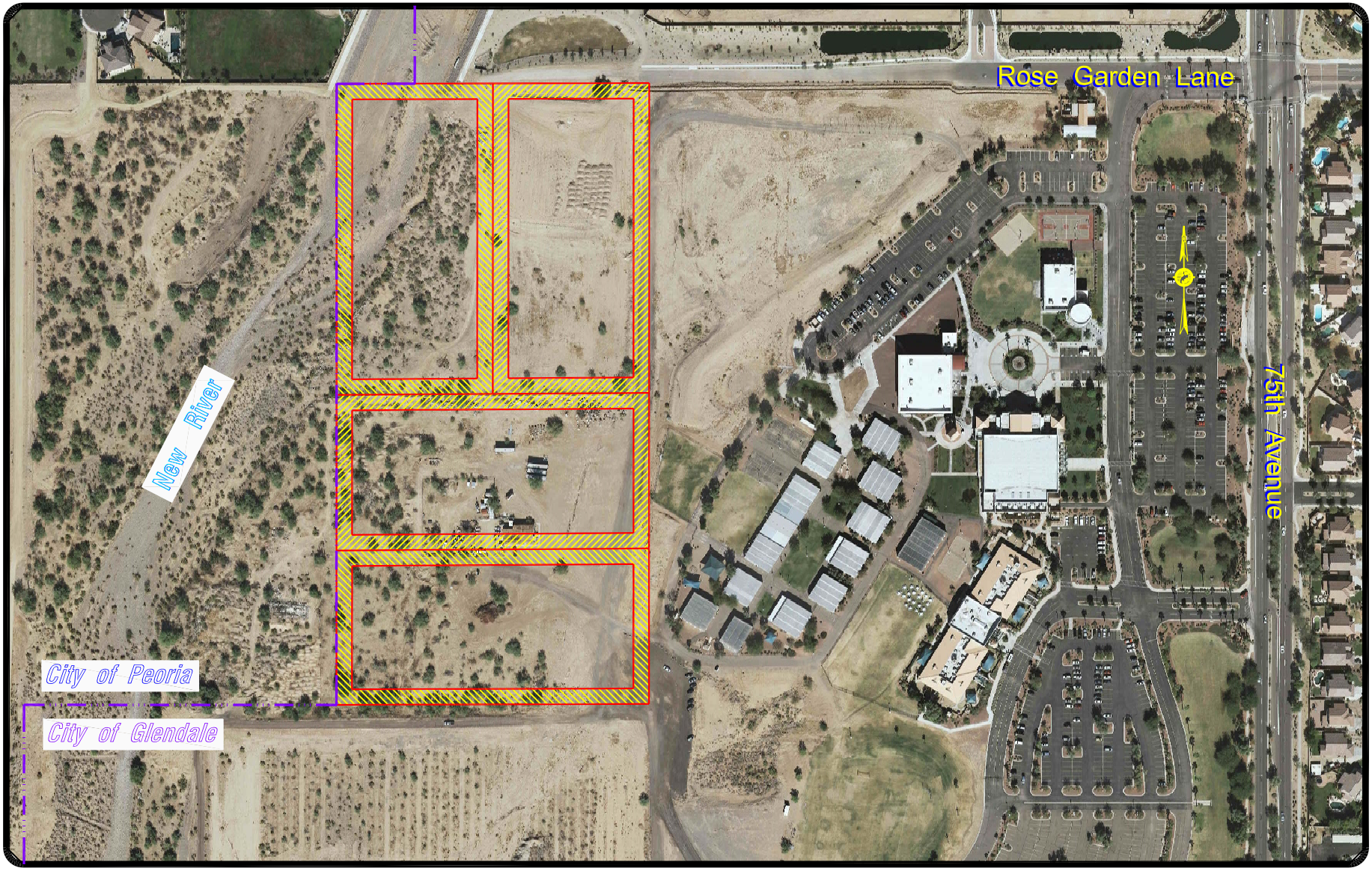
(8) FD. BLM BRASS CAP

(9) FD. 1/2" REBAR W/ CAP MARKED "RLS 14959"

(10) FD. NAIL W/ WASHER MARKED "SPRINGER RLS 34399"

DATE: 11/2014

SCALE: *NTS* PAGE *3* OF *3*	**CDG JOY I, LLC** **ABANDONMENT OF PATENT EASEMENTS** **GLENDALE, AZ**	**DAVID EVANS AND ASSOCIATES INC.** 4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151



ABANDONMENT OF PATENT EASEMENTS

GLENDALE AZ

Legislation Description

File #: 14-395, **Version:** 2

2014 GENERAL ELECTION CANVASS OF VOTE
Staff Contact: Pamela Hanna, City Clerk

Purpose and Recommended Action

This is a request for City Council to adopt a resolution declaring and adopting the results of the November 4, 2014 General Election. Staff is requesting Council waive reading beyond the title and pass, adopt and approve a resolution containing the General Election results.

Background

A.R.S. § 16-642 (A) requires that "the governing body holding an election shall meet and canvass the election not less than six days nor more than twenty days following the election."

Previous Related Council Action

On September 9, 2014, the Council adopted Resolution 4855 New Series, declaring and adopting the results of the 2014 Primary Election.

On April 22, 2014 Council called for the Primary Election to be held on August 26, 2014, and for the General Election to be held on November 4, 2014.

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RESOLUTION NO. 4900 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, DECLARING THE OFFICIAL CANVASS OF VOTES CAST IN THE CITY OF GLENDALE GENERAL ELECTION HELD NOVEMBER 4, 2014; DECLARING THE ELECTION OF THREE COUNCILMEMBERS; AND ORDERING THAT A CERTIFIED COPY OF THIS RESOLUTION BE RECORDED.

WHEREAS, the City of Glendale held a General Election Tuesday, November 4, 2014, for the purpose of electing persons to the office of Councilmember in the Cholla, Barrel, and Ocotillo Districts; and

WHEREAS, A.R.S. § 16-642 requires that the City council canvass the returns of the election not less than six days nor more than 20 days following the election; and

WHEREAS, the City Council having canvassed the returns of the November 4, 2014 General Election, finds the returns to be as stated in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

SECTION 1. That the total number of ballots rejected was 173 (Exhibit A).

SECTION 2. That the total number of provisional ballots to be verified at said General Election, shown on Maricopa County's Provisional Ballots printout (Exhibit B) was 940. Of these 86 ballots to be verified were found to be invalid.

SECTION 3. That the total number of ballots cast at said General Election, as shown by the Precinct Canvass report was 21,017 (Exhibit C).

SECTION 4. That the votes cast for the candidates for Councilmember were as follows:

District/Name	Vote Total
CHOLLA DISTRICT	
Deardorff, Gary	3,949
Tolmachoff, Lauren	5,210
BARREL DISTRICT	
Miller, Randy	2,833
Turner, Bart	3,360
OCOTILLO DISTRICT	

Aldama, Jamie	1,221
Alvarez, Norma	1,202

SECTION 5. That it is hereby found, determined, and declared of record that the following candidates did receive the greatest number of votes cast for the office Councilmember in the Cholla, Barrel and Ocotillo Districts and are hereby issued a certificate of election:

CHOLLA DISTRICT

Lauren Tolmachoff

BARREL DISTRICT

Bart Turner

OCOTILLO DISTRICT

Jamie Aldama

SECTION 6. That Exhibits A through C attached to this resolution include a detailed canvass of vote for the November 4, 2014 General Election.

SECTION 7. That the City Clerk be instructed and authorized to forward a certified copy of this resolution 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 __th day of November, 2014.

_____
M A Y O R

ATTEST:

_____
City Clerk (SEAL)

APPROVED AS TO FORM:

_____
City Attorney

REVIEWED BY:

_____
City Manager

EXHIBIT A

MARICOPA COUNTY
RECORDER'S INFORMATION SYSTEMS CENTER
REJECTED BALLOTS BY PRECINCT / CPC

Date: 11/17/2014 Time: 9:46 am

Election Title: MARICOPA COUNTY

Election Number: 1256 Election Date: 11/04/2014

GLENDALE 1 - CHOLLA; GLENDALE 3 - BARREL; GLENDALE 4 - OCOTILLO

Precinct/CPC Number	Precinct/CPC Name	Reason	Number Rejected
			0
0019	ANGELA	RETURNED LATE	2
		NO SIGNATURE	8
0029	ARROWHEAD RANCH	RETURNED LATE	2
		NO SIGNATURE	5
0042	BEARDSLEY	RETURNED LATE	4
		NO SIGNATURE	13
0043	BERYL	RETURNED LATE	1
		NO SIGNATURE	4
0045	BETHANY PARK	BAD SIGNATURE	1
0057	BONSALL PARK	NO SIGNATURE	2
0058	BREWER	RETURNED LATE	1
0068	BUTLER	BAD SIGNATURE	1
		RETURNED LATE	4
		NO SIGNATURE	6
0088	CARON	RETURNED LATE	1
		NO SIGNATURE	1
0098	CHALLENGER	BAD SIGNATURE	1

MARICOPA COUNTY
RECORDER'S INFORMATION SYSTEMS CENTER
REJECTED BALLOTS BY PRECINCT / CPC

Election Title: MARICOPA COUNTY

Election Number: 1256 Election Date: 11/04/2014

GLENDALE 1 - CHOLLA; GLENDALE 3 - BARREL; GLENDALE 4 - OCOTILLO

Precinct/CPC Number	Precinct/CPC Name	Reason	Number Rejected
		RETURNED LATE	2
		NO SIGNATURE	3
0129	COPPERWOOD	BAD SIGNATURE	1
		RETURNED LATE	4
		NO SIGNATURE	7
0244	GEMINI	BAD SIGNATURE	1
		NO SIGNATURE	6
0252	GLENCROFT	NO SIGNATURE	3
0324	JOHN CABOT	BAD SIGNATURE	2
		RETURNED LATE	11
		NO SIGNATURE	6
0373	LOS GATOS	BAD SIGNATURE	1
		RETURNED LATE	2
		NO SIGNATURE	5
0386	MANISTEE	BAD SIGNATURE	2
		RETURNED LATE	4
		NO SIGNATURE	9
0424	MONTEBELLO	BAD SIGNATURE	3

MARICOPA COUNTY
RECORDER'S INFORMATION SYSTEMS CENTER
REJECTED BALLOTS BY PRECINCT / CPC

Date: 11/17/2014 Time: 9:46 am

Election Title: MARICOPA COUNTY

Election Number: 1256 Election Date: 11/04/2014

GLENDALE 1 - CHOLLA; GLENDALE 3 - BARREL; GLENDALE 4 - OCOTILLO

Precinct/CPC Number	Precinct/CPC Name	Reason	Number Rejected
		NO SIGNATURE	3
0476	PECK	BAD SIGNATURE	3
		RETURNED LATE	2
		NO SIGNATURE	1
0529	RIVIERA	RETURNED LATE	3
		NO SIGNATURE	4
0545	SAHUARO RANCH	BAD SIGNATURE	1
		NO SIGNATURE	5
0582	SIERRA VERDE	BAD SIGNATURE	1
		RETURNED LATE	1
		NO SIGNATURE	4
0656	TUCKEY	BAD SIGNATURE	1
		RETURNED LATE	1
0683	WAHALLA	BAD SIGNATURE	4
		RETURNED LATE	3
		NO SIGNATURE	7

MARICOPA COUNTY
RECORDER'S INFORMATION SYSTEMS CENTER
REJECTED BALLOTS BY PRECINCT / CPC

Election Title: MARICOPA COUNTY

Election Number: 1256 **Election Date: 11/04/2014**

GLENDALE 1 - CHOLLA; GLENDALE 3 - BARREL; GLENDALE 4 - OCOTILLO

Precinct/CPC Number	Precinct/CPC Name	Reason	Number Rejected
	Bad Signature Total:		**23**
	Returned Late Total:		**48**
	No Signature Total:		**102**
	Total Rejected:		**173**

MARICOPA COUNTY
RECORDER'S INFORMATION SYSTEMS CENTER
PROVISIONAL BALLOTS HAVA REQUIREMENTS

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0019	
BALLOTS COUNTED:	62	
BALLOTS NOT COUNTED:	3	
TOTAL BALLOTS:	65	

5	A1 NEW RESIDENT BALLOT
51	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A6 NAME CHANGE
5	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
3	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0029	
BALLOTS COUNTED:	31	
BALLOTS NOT COUNTED:	6	
TOTAL BALLOTS:	37	

4	A1 NEW RESIDENT BALLOT
26	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
5	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.
1	B17 INSUFFICIENT IDENTIFICATION PROVIDED AFTER ELECTION DAY

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0042	
BALLOTS COUNTED:	93	
BALLOTS NOT COUNTED:	0	
TOTAL BALLOTS:	93	

13	A1 NEW RESIDENT BALLOT
79	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A6 NAME CHANGE

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0043	
BALLOTS COUNTED:	26	
BALLOTS NOT COUNTED:	4	
TOTAL BALLOTS:	30	

5	A1 NEW RESIDENT BALLOT
21	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
4	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0045	
BALLOTS COUNTED:	15	
BALLOTS NOT COUNTED:	0	
TOTAL BALLOTS:	15	

3	A1 NEW RESIDENT BALLOT
12	A2 EARLY BALLOT REQUESTED AND NOT RETURNED

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0057	
BALLOTS COUNTED:	2	
BALLOTS NOT COUNTED:	0	
TOTAL BALLOTS:	2	

2	A2 EARLY BALLOT REQUESTED AND NOT RETURNED

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0058	
BALLOTS COUNTED:	0	
BALLOTS NOT COUNTED:	11	
TOTAL BALLOTS:	11	

11	B11 INCOMPLETE INFORMATION GIVEN ON YOUR PROVISIONAL BALLOT FORM.

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0068	
BALLOTS COUNTED:	80	
BALLOTS NOT COUNTED:	8	
TOTAL BALLOTS:	88	

16	A1 NEW RESIDENT BALLOT
58	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A4 HARASSMENT CODED VOTER
5	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
2	B10 YOU ARE NOT REGISTERED TO VOTE
3	B12 YOU WERE NOT ELIGIBLE TO VOTE IN THIS ELECTION.
2	B13 YOUR EARLY BALLOT WAS SENT, RETURNED AND COUNTED
1	B19 EPB DUPLICATE PROVISIONAL

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0088	
BALLOTS COUNTED:	41	
BALLOTS NOT COUNTED:	4	
TOTAL BALLOTS:	45	

1	A1 NEW RESIDENT BALLOT
34	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
6	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
3	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.
1	B19 EPB DUPLICATE PROVISIONAL

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0098	
BALLOTS COUNTED:	20	
BALLOTS NOT COUNTED:	0	
TOTAL BALLOTS:	20	

3	A1 NEW RESIDENT BALLOT
17	A2 EARLY BALLOT REQUESTED AND NOT RETURNED

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0129	
BALLOTS COUNTED:	30	
BALLOTS NOT COUNTED:	3	
TOTAL BALLOTS:	33	

4	A1 NEW RESIDENT BALLOT
15	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
11	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
2	B10 YOU ARE NOT REGISTERED TO VOTE
1	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0237	
BALLOTS COUNTED:	0	
BALLOTS NOT COUNTED:	1	
TOTAL BALLOTS:	1	

1	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0244	
BALLOTS COUNTED:	45	
BALLOTS NOT COUNTED:	2	
TOTAL BALLOTS:	47	

4	A1 NEW RESIDENT BALLOT
38	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A5 REGISTRATION RECEIVED TOO LATE TO BE PRINTED ON SIGNATURE ROSTER
2	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
2	B10 YOU ARE NOT REGISTERED TO VOTE

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0252	
BALLOTS COUNTED:	45	
BALLOTS NOT COUNTED:	5	
TOTAL BALLOTS:	50	

8	A1 NEW RESIDENT BALLOT
24	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A6 NAME CHANGE
12	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
3	B10 YOU ARE NOT REGISTERED TO VOTE
1	B12 YOU WERE NOT ELIGIBLE TO VOTE IN THIS ELECTION.
1	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0324	
BALLOTS COUNTED:	41	
BALLOTS NOT COUNTED:	1	
TOTAL BALLOTS:	42	

6	A1 NEW RESIDENT BALLOT
32	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A6 NAME CHANGE
2	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
1	B10 YOU ARE NOT REGISTERED TO VOTE

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0373	
BALLOTS COUNTED:	73	
BALLOTS NOT COUNTED:	3	
TOTAL BALLOTS:	76	

13	A1 NEW RESIDENT BALLOT
52	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
8	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
2	B10 YOU ARE NOT REGISTERED TO VOTE
1	B12 YOU WERE NOT ELIGIBLE TO VOTE IN THIS ELECTION.

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0386	
BALLOTS COUNTED:	39	
BALLOTS NOT COUNTED:	5	
TOTAL BALLOTS:	44	

8	A1 NEW RESIDENT BALLOT
31	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	B10 YOU ARE NOT REGISTERED TO VOTE
2	B11 INCOMPLETE INFORMATION GIVEN ON YOUR PROVISIONAL BALLOT FORM.
2	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0424	
BALLOTS COUNTED:	23	
BALLOTS NOT COUNTED:	3	
TOTAL BALLOTS:	26	

5	A1 NEW RESIDENT BALLOT
16	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
2	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
1	B10 YOU ARE NOT REGISTERED TO VOTE
1	B11 INCOMPLETE INFORMATION GIVEN ON YOUR PROVISIONAL BALLOT FORM.
1	B19 EPB DUPLICATE PROVISIONAL

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0476	
BALLOTS COUNTED:	23	
BALLOTS NOT COUNTED:	1	
TOTAL BALLOTS:	24	

4	A1 NEW RESIDENT BALLOT
17	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
2	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
1	B10 YOU ARE NOT REGISTERED TO VOTE

MARICOPA COUNTY
RECORDER'S INFORMATION SYSTEMS CENTER
PROVISIONAL BALLOTS HAVA REQUIREMENTS

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0506	
BALLOTS COUNTED:	0	
BALLOTS NOT COUNTED:	4	
TOTAL BALLOTS:	4	

1	B11 INCOMPLETE INFORMATION GIVEN ON YOUR PROVISIONAL BALLOT FORM.
3	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0529	
BALLOTS COUNTED:	39	
BALLOTS NOT COUNTED:	0	
TOTAL BALLOTS:	39	

4	A1 NEW RESIDENT BALLOT
32	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
3	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0545	
BALLOTS COUNTED:	30	
BALLOTS NOT COUNTED:	1	
TOTAL BALLOTS:	31	

5	A1 NEW RESIDENT BALLOT
22	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
3	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
1	B10 YOU ARE NOT REGISTERED TO VOTE

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0582	
BALLOTS COUNTED:	22	
BALLOTS NOT COUNTED:	7	
TOTAL BALLOTS:	29	

2	A1 NEW RESIDENT BALLOT
20	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	B10 YOU ARE NOT REGISTERED TO VOTE
2	B12 YOU WERE NOT ELIGIBLE TO VOTE IN THIS ELECTION.
4	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0656	
BALLOTS COUNTED:	23	
BALLOTS NOT COUNTED:	5	
TOTAL BALLOTS:	28	

4	A1 NEW RESIDENT BALLOT
15	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
1	A5 REGISTRATION RECEIVED TOO LATE TO BE PRINTED ON SIGNATURE ROSTER
3	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
3	B10 YOU ARE NOT REGISTERED TO VOTE
1	B11 INCOMPLETE INFORMATION GIVEN ON YOUR PROVISIONAL BALLOT FORM.
1	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

ELECTION	1256	MARICOPA COUNTY
PRECINCT	0683	
BALLOTS COUNTED:	51	
BALLOTS NOT COUNTED:	9	
TOTAL BALLOTS:	60	

3	A1 NEW RESIDENT BALLOT
45	A2 EARLY BALLOT REQUESTED AND NOT RETURNED
3	A7 ID ADDRESS DOESN'T MATCH SIGNATURE ROSTER
2	B10 YOU ARE NOT REGISTERED TO VOTE
1	B11 INCOMPLETE INFORMATION GIVEN ON YOUR PROVISIONAL BALLOT FORM.
4	B12 YOU WERE NOT ELIGIBLE TO VOTE IN THIS ELECTION.
2	B14 YOU WENT TO THE WRONG POLLING PLACE FOR THIS ELECTION.

Election: 1256 MARICOPA COUNTY

GLENDALE 1 - CHOLLA, GLENDALE 3 - BARREL, GLENDALE 4 - OCOTILLO

SUMMARY REPORT TOTALS

BALLOTS COUNTED:	854
BALLOTS NOT COUNTED:	86
TOTAL BALLOTS:	940

EXHIBIT C

MRC_20141104_E
11/4/2014
Precinct Canvass
MARICOPA COUNTY

1 CITY OF GLENDALE COUNCILMEMBER-CHOLLA DIST

					1	1	1	1	1							
	Registered	Ballots Cast	Turnout (%)		DEARDORFF, GARY	TOLMACHOFF, LAUREN	Write-In Candidate	Over Votes	Under Votes							
0019 ANGELA	3979	1906	47.90		705	869	3	3	326							
0029 ARROWHEAD RANCH	1769	912	51.55		236	529	4	4	139							
0042 BEARDSLEY	4383	2335	53.27		960	1060	4	5	306							
0058 BREWER	616	133	21.59		39	69			25							
0324 JOHN CABOT	3097	1276	41.20		506	540	8	3	219							
0373 LOS GATOS	3976	1998	50.25		748	991	3	7	249							
0582 SIERRA VERDE	1581	704	44.53		201	390	1	1	111							
0683 WAHALLA	3420	1554	45.44		554	762	8	2	228							
	22821	10818	47.40		3949	5210	31	25	1603							

1 CITY OF GLENDALE COUNCILMEMBER-BARREL DIST

					1	1	1	1	1							
	Registered	Ballots Cast	Turnout (%)		MILLER, RANDY	TURNER, BART	Write-In Candidate	Over Votes	Under Votes							
0043 BERYL	1682	810	48.16		295	351	6	1	157							
0068 BUTLER	4017	1315	32.74		475	649	5	5	181							
0088 CARON	2521	1060	42.05		428	489	3	2	138							
0129 COPPERWOOD	1580	652	41.27		257	289		3	103							
0244 GEMINI	3023	1218	40.29		447	528	3	1	239							
0252 GLENCROFT	2209	827	37.44		333	340	4		150							
0529 RIVIERA	1681	776	46.16		255	356	4		161							
0545 SAHUARO RANCH	2048	868	42.38		343	358	2	1	164							
	18761	7526	40.12		2833	3360	27	13	1293							

1 CITY OF GLENDALE COUNCILMEMBER-OCOTILLO DIST

					1	1	1	1	1							
	Registered	Ballots Cast	Turnout (%)		ALDAMA, JAMIE	ALVAREZ, NORMA S.	Write-In Candidate	Over Votes	Under Votes							
0045 BETHANY PARK	892	252	28.25		114	99	1		38							
0057 BONSALL PARK	135	9	6.67		5	2	1		1							
0098 CHALLENGER	2253	514	22.81		228	225	1	2	58							
0386 MANISTEE	2351	720	30.63		310	359	3	1	47							
0424 MONTEBELLO	1824	475	26.04		224	216	3	2	30							
0476 PECK	1532	410	26.76		183	187	2	4	34							
0656 TUCKEY	1290	293	22.71		157	114	1		21							
	10277	2673	26.01		1221	1202	12	9	229							