



City of Phoenix

REQUEST FOR QUALIFICATION
RFQu-25-0552
CLAIMS ADJUSTING, DAMAGE APPRAISAL, AND
SUBROGATION SERVICES

City of Phoenix
Finance Central Procurement
251 W. Washington St.
8th Floor
Phoenix, AZ
85003

RELEASE DATE: February 12, 2025
DEADLINE FOR QUESTIONS: February 26, 2025
RESPONSE DEADLINE: March 12, 2025, 2:00 pm

City of Phoenix
REQUEST FOR QUALIFICATION
RFQu-25-0552

Claims Adjusting, Damage Appraisal, and Subrogation Services

1. Introduction	3
2. Instructions.....	6
3. Scope of Work.....	16
4. Evaluation Process.....	27
5. Standard Terms and Conditions	29
6. Special Terms and Conditions.....	46
7. Defense and Indemnification	64
8. Insurance Requirements	66
9. Submittals	69

Attachments:

Attachment A - Full Report

Attachment B - Short Form Report

Attachment C - Claim file review worksheet

Submittals - Costs and Payments rev 2-2023

Pricing_Proposal_RFQu-25-0552

Submittals - References rev 2-2023

Submittals - Debarment & Exclusion rev 2-2023

Submittals - Conflict of Interest and Transparency rev 2-2023

Submittals - Offer Page rev 11-2024

1. Introduction

1.1. Summary

The City of Phoenix invites sealed offers for claims adjusting, subrogation and recovery services, and appraisal services for a five-year contract commencing on or about April 1, 2025, in accordance with the specifications and provisions contained herein or the “Effective Date” which is upon award by City Council, conditioned upon signature and recording by the City Clerk’s department, as required by the Phoenix City Code, whichever is later.

This solicitation is available through Arizona Relay Service 7-1-1. Please call TTY 800-367-8939 for assistance.

Notwithstanding the foregoing, this Agreement will terminate upon the earliest occurrence: by reaching the end of the term including any extensions exercised, or termination pursuant to the provisions of this Agreement.

1.2. Background

This solicitation will provide additional support to the City's Risk Management Division during peak periods. Any awarded Contractors will provide services such as investigate, adjust, settle or deny claims, when appropriate on behalf of the City for liability claims alleged to have been caused by the City. The most common types of liability claims that are likely to be assigned are those associated with police and fire operations; use of heavy equipment; maintenance of premises open to the general public, including parks and libraries; street design and maintenance; contained and uncontained trash pickup removal and recycling; the treatment and distribution of water and wastewater; and the operation of a variety of motor vehicles. This solicitation will ensure that all claims are managed and resolved in timely manner.

Subrogation services have been added to the required list of contractor services since the previous solicitation.

1.3. Contact Information

William Langbehn

Finance Procurement Officer

251 W. Washington St.

8th Floor

Phoenix, AZ 85003

Email: william.langbehn@phoenix.gov

Phone: [\(602\) 495-7237](tel:(602)495-7237)

Department:

Finance Central Procurement

1.4. Timeline

Schedule of Events

The City reserves the right to change dates, times, and locations, as necessary. All times are local Phoenix time. The City does not always hold a Pre-Offer Conference or Site Visit.

To request a reasonable accommodation or alternative format for any public meeting, please contact the Procurement Officer (William Langbehn) at (602) 495-7237/Voice or 711/TTY, or william.langbehn@phoenix.gov, no later than two (2) weeks prior to the meeting.

<p>Solicitation Issue Date</p>	<p>February 12, 2025</p>
<p>Pre-Offer Conference (Non-Mandatory)</p>	<p>February 19, 2025, 2:00pm Pre-Offer Conference conducted via Webex.</p> <p>Join from the meeting link</p> <p>https://cityofphoenix.webex.com/cityofphoenix/j.php?MTID=m8c5323d239e378b15796b69debc300b8 [cityofphoenix.webex.com]</p> <p>Join by meeting number</p> <p>Meeting number (access code): 2865 509 5618 Meeting password: uK3JgtJMx59</p> <p>Tap to join from a mobile device (attendees only)</p> <p>+1-415-655-0001,28655095618## US Toll</p> <p>Join by phone</p> <p>+1-415-655-0001 US Toll</p> <p>Global call-in numbers [cityofphoenix.webex.com]</p> <p>Join from a video system or application</p> <p>Dial 28655095618@cityofphoenix.webex.com</p> <p>You can also dial 173.243.2.68 and enter your meeting number.</p> <p>Need help? Go to https://help.webex.com [help.webex.com]</p>
<p>Written Inquiries Due Date</p>	<p>February 26, 2025, 2:00pm</p>
<p>Offer Due Date</p>	<p>March 12, 2025, 2:00pm</p>

Request For Qualification #RFQu-25-0552

Title: Claims Adjusting, Damage Appraisal, and Subrogation Services

	Electronically submitted to procurement@phoenix.gov
--	--

2. Instructions

2.1. City's Vendor Self-Registration and Notification

Vendors must be registered in the City's procurePHX Self-Registration System at <https://www.phoenix.gov/procure> to respond to solicitations and access procurement information. The City may, at its sole discretion, reject any offer from an Offeror who has not registered.

2.2. Preparation of Offer

All forms provided in Submittal Section must be completed and submitted with the Offer. The signed and completed Conflict of Interest and Transparency form must be included or your Offer may be deemed non-responsive.

It is permissible to copy Submittal forms if necessary. Erasures, interlineations, or other modifications of the Offer must be initialed in original ink by the authorized person signing the Offer. No offer will be altered, amended or withdrawn after the specified offer due date and time. The City is not responsible for Offeror's errors or omissions.

All time periods stated as a number of days will be calendar days.

It is the responsibility of all Offerors to examine the entire solicitation and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting an offer. Negligence in preparing an offer confers no right of withdrawal after due date and time. Offerors are strongly encouraged to:

- A. Consider applicable laws and/or economic conditions that may affect cost, progress, performance, or furnishing of the products or services.
- B. Study and carefully correlate Offeror's knowledge and observations with the solicitation and other related data.
- C. Promptly notify the City of all conflicts, errors, ambiguities, or discrepancies that Offeror has discovered in or between the solicitation and other related documents.
- D. The City does not reimburse the cost of developing, presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner. The Offeror is responsible for all costs incurred in responding to this solicitation. All materials and documents submitted in response to this solicitation become the property of the City and will not be returned.

2.3. Fixed Offer Price Period

All offers shall be firm and fixed for a period of 180 calendar days from the solicitation opening date.

2.4. Obtaining a Copy of the Solicitation and Addenda

Interested Offerors may download the complete solicitation and addenda from <https://solicitations.phoenix.gov/>. Any interested Offerors without internet access may obtain this

solicitation by calling the Procurement Officer or picking up a copy during regular business hours at the City of Phoenix, Finance Department, Central Procurement Division, 251 W Washington Street, 8th Floor, Phoenix, AZ. It is the Offeror's responsibility to check the website, read the entire solicitation, and verify all required information is submitted with their Offer.

2.5. Exceptions

Offeror must not take any exceptions to any terms, conditions or material requirements of this solicitation. Offers submitted with exceptions may be deemed non-responsive and disqualified from further consideration in the City's sole discretion. Offerors must conform to all the requirements specified in the solicitation. The City encourages Offerors to send inquiries to the Procurement Officer rather than including exceptions in their Offer.

2.6. Inquiries

All questions that arise relating to this solicitation should be directed via email to the Procurement Officer and must be received by the due date indicated in the Schedule of Events. The City will not consider questions received after the deadline.

No informal contact initiated by Offerors on the proposed service will be allowed with members of City's staff from date of distribution of this solicitation until after city council awards the contract. All questions concerning or issues related to this solicitation must be presented in writing.

The Procurement Officer will answer written inquiries in an addendum and publish any addendums on the Procurement Website.

2.7. Addenda

The City of Phoenix will not be responsible for any oral instructions made by any employees or officers of the City of Phoenix regarding this solicitation. Any changes will be in the form of an addendum. The Offeror must acknowledge receipt of any/all addenda by signing and returning the document with the Offer submittal.

2.8. Business in Arizona

The City will not enter contracts with Offerors (or any company(ies)) not granted authority to transact business, or not in good standing, in the state of Arizona by the Arizona Corporation Commission, unless the Offeror asserts a statutory exception prior to entering a contract with the City.

2.9. Licenses

If required by law for the operation of the business or work related to this Offer, Offeror must possess all valid certifications and/or licenses as required by federal, state or local laws at the time of submittal.

2.10. Certifications

By signature in the Offer section of the Offer and Acceptance page(s), Offeror certifies:

- The submission of the Offer did not involve collusion or other anti-competitive practices.

- The Offeror must not discriminate against any employee, or applicant for employment in violation of Federal or State Law.
- The Offeror 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, or service to a public servant in connection with the submitted Offer.

2.11. Submission of Offer

Offers must be in possession of the Department on or prior to the exact time and date indicated in the Schedule of Events. Late offers will not be considered. The prevailing clock will be the City Department's clock.

Offers must be submitted electronically by email to procurement@phoenix.gov and the following information should be noted in the email:

- A. Offeror's Name
- B. Offeror's Address (as shown on the Certification Page)
- C. Solicitation Number
- D. Solicitation Title
- E. Offer Opening Date
- F. Due to file size limitations for electronic transmission (for sending or receiving), Offers sent by email may need to be sent in parts with multiple emails. It is the responsibility of the Offeror to ensure that the Offer (including all parts if sent in multiple emails) is timely and to confirm that there are no technical reasons that any offer submitted electronically may be delayed. The date and time on the email(s) as received/stamped by the City's inbox will provide proof of submission and verification whether the Offer was received on or prior to the exact time and date indicated in the Schedule of Events.
- G. Any original documents (such as bonds, guaranties, powers of attorney), if required by the solicitation, must be separately delivered to and received by the City on or prior to the exact time and date indicated in the Schedule of Events, with a clear indication of the Offer for which it is attributed.

2.12. Withdrawal of Offer

At any time prior to the solicitation due date and time, an Offeror (or designated representative) may withdraw the Offer by submitting a request in writing and signed by a duly authorized representative. If Offeror withdraws the Offer electronically by email to the Procurement Officer, the request to withdraw must be in the form of a letter attached to the email that includes either an image of the duly authorized representative's signature or an electronic signature from a verifiable source, such as Adobe Sign, DocuSign or a similar verifiable software program.

2.13. Offer Results

Offers will be opened on the offer due date, time and location indicated in the Schedule of Events, at which time the name of each Offeror, and the prices may be read. Offers and other information received in response to the solicitation will be shown only to authorized City personnel having a legitimate interest in them or persons assisting the City in the evaluation. Offers are not available for public inspection until after the City has posted the award recommendation on the City's website.

The City will post a preliminary offer tabulation on the City's website, <https://solicitations.phoenix.gov/Awards> within five business days of the offer opening. The City will post the information on the preliminary tabulation as it was read during the offer opening. The City makes no guarantee as to the accuracy of any information on the preliminary tabulation. Once the City has evaluated the offers, the City will post an award recommendation on the website. By signing and submitting its Offer, each Offeror agrees that this posting of the award recommendation to the City's website effectively serves as the Offeror's receipt of that notice of award recommendation. The City has no obligation to provide any further notification to unsuccessful Offerors.

2.14. Special Requirements

In order for an RFQu response to be considered, the Offeror shall comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended, Equal Employment Opportunity Requirements. Any questions in regard to these requirements shall be directed to the Equal Opportunity Department, (602) 262-6790.

2.15. Qualification Criteria

Statement of Qualifications shall relate specifically to the following items, listed in general order of importance, for evaluation and selection purposes:

Enter Qualification Criteria

These minimum qualifications must be included, otherwise the offeror may be deemed non-responsive:

- A. An offeror must submit for one or more of the following service categories:
 1. Full-Service Liability Claim Adjusting - Excluding Water Main Breaks, Sewer Backups, police enforcement claims and all employment related claims.
 2. Full-Service Liability Claim Adjusting - For Water Main Breaks or Sewer Backups
 3. Damage recovery services for vehicle-related losses, including loss of use, revenue, and value.
 4. Full-Service Property Claims Adjusting - For 1st party and 3rd party claims.
 5. Subrogation and Recovery services for all property and liability claims, as required.
 6. Limited Adjustment Services
 7. Vehicle Appraisal Services

- B. Offerors are reminded that the qualifications, and other requirements herein, are minimum requirements and that offers submitted must be for services that meet or exceed the minimum standards described in this RFQu.
1. Offerors must be licensed to conduct business in the State of Arizona. Its employees assigned to work under this contract must have the Arizona Insurance Adjuster's license and be in good standing with Arizona Department of Insurance. Offerors must submit copies of licenses with the proposal.
 2. Offerors must have and maintain an office in the Phoenix Metropolitan area.
 3. Offerors must submit staffing resources as a part of the Statement of Qualifications (provide resumes for key staff)
 4. Offerors must submit a minimum of 3 references from prior clients which the Contractor is currently furnishing or has furnished, completed service for liability claim adjustment, subrogation services, or vehicle damage appraisal services. (Reference Submittals - References rev 2-2023)
 5. Offeror must demonstrate being in business a minimum of five years offering service(s) for each service category offer is submitting for, see service categories above Items 3.1.A.1. - 3.1.A.7..
 6. Offerors must submit a claims status report sample.
 7. Offerors may submit proposal for one or more of the services requested.
 8. Notice of Representation: Offeror will act on behalf of the City on claims submitted for damage recovery, with the City's approval required for settlement below original estimate costs.
 9. Debt Collection: Offeror is not a debt collector; those claims will be directed back to the City Risk & Revenue Division.

2.16. Content of Response

The Offerors' response will include the following:

- A. Description of how the work would be performed.
- B. Cost estimate for completing requested work, including hourly or daily rates where appropriate.
- C. Names and resumes of the proposed staff, including managers and supervisors.
- D. Description of current financial status and/or a copy of the most recent audited financial statements.
- E. Brief assessment of the present workload capacity.
- F. Offeror's proposed time frame for completion of the work.

- G. Documentation of the Offeror's commitment to Equal Employment Opportunity.
- H. List of current business references.

2.17. Evaluation and Selection

After evaluating all submissions, the City may ask some or all the firms that submitted a response to participate in interviews. Upon completion of the evaluation process, the City may assign a detailed scope of work to the selected candidate and negotiate fees for services.

RFQu responses should be concise, well-organized per the requested information, clearly written and limited to no more than twenty pages including resumes. The review process places considerable emphasis on the responsiveness of the RFQu response to the requirements outlined above. RFQu responses that are not written specifically in response to this request cannot receive serious consideration.

All RFQu responses will be evaluated based on the criteria listed above in the Qualifications Section of this RFQu.

The firms under consideration for this RFQu, will be evaluated in accordance with the solicitation by an Evaluation Committee and/or the Procurement Officer. The City reserves the right to request supplemental information that the Evaluation Committee deems necessary to make a selection. The Committee may be supplemented by outside professionals or professionals from other City departments who can provide additional expertise.

2.18. Agreement

The City will require the selected Offeror to participate in negotiations and to submit such cost, technical or other revisions of the submittals as may result from negotiations. The City shall draft all final contracts and documents that result from this RFQu.

The language contained in this RFQu and the Offeror's statement of qualifications will form the basis of any resulting Contract. However, this RFQu does not commit the City to enter a Contract, to pay any costs incurred in the preparation of a submittal to this request or in subsequent negotiations, or to procure a contract for the project(s).

2.19. Solicitation Transparency Policy

Commencing on the date and time a solicitation is published, potential or actual Offerors or respondents (including their representatives) shall only discuss matters associated with the solicitation with the Mayor, any members of City Council, the City Manager, any Deputy City Manager, or any department director directly associated with the solicitation (including in each case their assigned staff, except for the designated Procurement Officer) at a public meeting, posted under Arizona Statutes, until the resulting contract(s) are awarded to all offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or similar solicitation.

As long as the solicitation is not discussed, Offerors may continue to conduct business with the City and discuss business that is unrelated to the solicitation with the City staff. Offerors may not discuss the solicitation with any City employees or evaluation panel members.

Offerors may discuss their proposal or the solicitation with the Mayor or one or more members of the Phoenix City Council, provided such meetings are scheduled through the Procurement Officer, and are posted as open meetings with the City Clerk at least 24 hours prior to the scheduled meetings. The City Clerk will be responsible for posting the meetings. The posted notice shall identify the participants and the subject matter, as well as invite the public to participate.

With respect to the selection of the successful Offerors, the City Manager and/or City Manager's Office will continue the past practice of exerting no undue influence on the process. In all solicitations of bids and proposals, any direction on the selection from the City Manager and/or City Manager's Office and Department Head (or representative) to the proposal review panel or selecting authority must be provided in writing to all prospective Offerors.

This policy is intended to create a level playing field for all Offerors, assure that contracts are awarded in public, and protect the integrity of the selection process. OFFERORS THAT VIOLATE THIS POLICY SHALL BE DISQUALIFIED. After official Notice is received by the City for disqualification, the Offeror may follow the Protest process, unless the Solicitation is cancelled without notice of intent to re-issue.

“To discuss” means any contact by the Offeror, regardless of whether the City responds to the contact. Offerors that violate this policy will be disqualified until the resulting contract(s) are awarded, or all offers or responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or a similar solicitation. The City interprets the policy as continuing through a cancellation of a solicitation until Council award of the contract, as long as the City cancels with a statement that the City will rebid the solicitation.

2.20. Protest Process

Offeror may protest the contents of a solicitation no later than seven days before the solicitation deadline when the protest is based on an apparent alleged mistake, impropriety or defect in the solicitation. Protests filed regarding the solicitation may be addressed by an amendment to the solicitation or denied by the City. If denied, the opening and award will proceed unless the City determines that it is in the City's best interests to set new deadlines, amend the solicitation, cancel or re-bid.

Therefore, unless otherwise notified by a formal amendment, the Protester must adhere to all solicitation dates and deadlines, including timely filing of an offer, regardless of filing a protest.

Offeror may protest an adverse determination issued by the City regarding responsibility and responsiveness, within seven days of the date the Offeror was notified of the adverse determination.

Offeror may protest an award recommendation if the Offeror can establish that it had a substantial chance of being awarded the contract and will be harmed by the recommended award. The City will post recommendations on the City's website to award the contract(s) to an Offeror(s). Offeror must submit award protests within seven days after the posting of the award recommendation, with exceptions only for good cause shown, within the City's full and final discretion.

All protests will be in writing, filed with the Procurement Officer identified in the solicitation and include the following:

- Identification of the solicitation number;
- The name, address and telephone number of the protester;
- A detailed statement describing the legal and factual grounds for the protest, including copies of relevant documents;
- The form of relief requested; and
- The signature of the protester or its authorized representative.

The Procurement Officer will render a written decision within a reasonable period after the protest is filed. The City will not request City Council authorization to award the contract until the protest process is complete. All protests and appeals must be submitted in accordance with the City's Procurement Code, (Phoenix City Code, Ch. 43) and any protests or appeals not submitted within the time requirements will not be considered. Protests must be filed with the Procurement Officer.

2.21. Public Record

All Offers submitted in response to this solicitation will become the property of the City and become a matter of public record available for review pursuant to Arizona State law. If an Offeror believes that a specific section of its Offer response is confidential, the Offeror will isolate the pages marked confidential in a specific and clearly labeled section of its Offer response. An Offeror may request specific information contained within its Offer is treated by the Procurement Officer as confidential provided the Offeror clearly labels the information "confidential." To the extent necessary for the evaluation process, information marked as "confidential" will not be treated as confidential. Once the procurement file becomes available for public inspection, the Procurement Officer will not make any information identified by the Offerors as "confidential" available to the public unless necessary to support the evaluation process or if specifically requested in accordance with applicable public records law. When a public records request for such information is received, the Procurement Officer will notify the Offeror in writing of any request to view any portion of its Offer marked "confidential." The Offeror will have the time set forth in the notice to obtain a court order enjoining such disclosure. If the Offeror does not provide the Procurement Officer with a court order enjoining release of the information during the designated time, the Procurement Officer will make the information requested available for inspection.

2.22. Late Offers

Late Offers must be rejected, except for good cause. If a late Offer is submitted, the Department will document the date and time of the submittal of the late Offer, keep the Offer and notify the Offeror that its Offer was disqualified for being a late Offer.

2.23. Right to Disqualify

The City reserves the right to disqualify any Offeror who fails to provide information or data requested or who provides materially inaccurate or misleading information or data. The City further reserves the right to disqualify any Offeror on the basis of any real or apparent conflict of interest that is disclosed by the Offer submitted or any other data or information available to the City. This disqualification is at the sole discretion of the City. By submission of a solicitation response, the Offeror waives any right to object now or at any future time, before any agency or

body including, but not limited to, the City Council of the City or any court as to the exercise by the City of such right to disqualify or as to any disqualification by reason of real or apparent conflict of interest determined by the City. The City reserves the right to replace the disqualified Offeror.

2.24. Contract Award

The City reserves the right to award a contract by individual line items, by group, all or none, or any other combination most advantageous to the City. The City reserves the right to multiple award.

2.25. Determining Responsiveness and Responsibility

Offers will be reviewed for documentation of any required minimum qualifications, and completeness and compliance with the solicitation requirements. The City reserves sole discretion to determine responsiveness and responsibility.

Responsiveness: Nonresponsive Offers will not be considered in the evaluation process. The solicitation states criteria that determine responsiveness, and the solicitation includes terms and conditions that if included or excluded from Offers will render an Offer nonresponsive.

Responsibility: To obtain true economy, the City must conduct solicitations to minimize the possibility of a subsequent default by the Offeror, late deliveries, or other unsatisfactory performance that may result in additional administrative costs. It is important that the Offeror be a responsible Offeror. Responsibility includes the Offeror's integrity, skill, capacity, experience, and facilities for conducting the work to be performed.

2.26. Offers Not Within the Competitive Range

The City may notify Offerors of Offers that the City determined are not in the Competitive Range.

2.27. Discussions with Offerors in the Competitive Range

The City will notify each Offeror whose Offer is in the Competitive Range or made the 'short list' and provide in writing any questions or requests for clarification to the Offeror. Each Offeror so notified may be interviewed by the City and asked to discuss answers to written or oral questions or provide clarifications to any facet of its Offer. The Offerors in the competitive range may be required to provide a demonstration of their product.

Demonstrations - Offerors in the competitive range may be invited to construct a hands-on sample or presentation of their solution at the City of Phoenix. In addition, each finalist may prepare and deliver a presentation of their proposed solution based on the script developed by the evaluation panel. The City may also require a hands-on lab demonstration designed specifically for the evaluation panel. The results of the surveys will be tabulated and delivered to the evaluation team for the final review and solution selection session(s).

If an Offer in the Competitive Range contains conditions, exceptions, reservations or understandings to or about any Contract or Solicitation Scope requirement, the City may discuss or negotiate the conditions, exceptions, reservations or understandings during these meetings. But the City in its sole discretion may reject any and all conditions, exceptions, reservations and understandings, and the City may instruct any Offeror to remove the conditions, exceptions, reservations or understandings. If the Offeror fails to do so, the City may determine the Offer is

nonresponsive, and the City may revoke its determination that the Offer is in the Competitive Range.

To the fullest extent permitted by law, the City will not provide any information, financial or otherwise, to any Offeror about other Offers received in response to this solicitation. During discussions with Offerors in the Competitive Range, the City will not give Offerors specific prices or specific financial requirements that Offerors must meet to qualify for further consideration. The City may state that proposed prices are too high with respect to the marketplace or otherwise unacceptable. Offerors will not be told of their relative rankings before Contract award.

2.28. Best and Final Offers (BAFO)

A BAFO is an option available for negotiations. Each Offeror in the Competitive Range, which is determined in the City's sole discretion, may be afforded the opportunity to amend its Offer and make one BAFO.

If an Offeror's BAFO modifies its initial Offer, the modifications must be identified in the BAFO. The City will evaluate BAFOs based on the same requirements and criteria applicable to initial Offers. The City will adjust appropriately the initial scores for criteria that have been affected by offer modifications made by a BAFO. Based on the criteria defined in the solicitation as weighted, the City will then perform final scoring and prepare final rankings.

The Evaluation Panel will recommend the Offer that is the best value and most advantageous to the City based on the evaluation criteria.

The City reserves the right to make an award to an Offeror whose Offer is the highest rated, best value, and most advantageous to the City based on the evaluation criteria, without conducting written or oral discussions with any Offeror, without negotiations, and without soliciting BAFOs.

3. Scope of Work

3.1. MINIMUM QUALIFICATION CRITERIA

These minimum qualifications must be included, otherwise the offeror may be deemed non-responsive:

- A. An offeror must submit for one or more of the following service categories:
 - 1. Full-Service Liability Claim Adjusting - Excluding Water Main Breaks, Sewer Backups, police enforcement claims and all employment related claims.
 - 2. Full-Service Liability Claim Adjusting - For Water Main Breaks or Sewer Backups
 - 3. Damage recovery services for vehicle-related losses, including loss of use, revenue, and value.
 - 4. Full-Service Property Claims Adjusting - For 1st party and 3rd party claims.
 - 5. Subrogation and Recovery services for all property and liability claims, as required.
 - 6. Limited Adjustment Services
 - 7. Vehicle Appraisal Services
- B. Offerors are reminded that the qualifications, and other requirements herein, are minimum requirements and that offers submitted must be for services that meet or exceed the minimum standards described in this RFQu.
 - 1. Offerors must be licensed to conduct business in the State of Arizona. Its employees assigned to work under this contract must have the Arizona Insurance Adjuster's license and be in good standing with Arizona Department of Insurance. Offerors must submit copies of licenses with the proposal.
 - 2. Offerors must have and maintain an office in the Phoenix Metropolitan area.
 - 3. Offerors must submit staffing resources as a part of the Statement of Qualifications (provide resumes for key staff)
 - 4. Offerors must submit a minimum of 3 references from prior clients which the Contractor is currently furnishing or has furnished, completed service for liability claim adjustment, subrogation services, or vehicle damage appraisal services. (Reference Submittals - References rev 2-2023)
 - 5. Offeror must demonstrate being in business a minimum of five years offering service(s) for each service category offer is submitting for, see service categories above Items 3.1.A.1. - 3.1.A.7..
 - 6. Offerors must submit a claims status report sample.
 - 7. Offerors may submit proposal for one or more of the services requested.

8. Notice of Representation: Offeror will act on behalf of the City on claims submitted for damage recovery, with the City's approval required for settlement below original estimate costs.
9. Debt Collection: Offeror is not a debt collector; those claims will be directed back to the City Risk & Revenue Division.

3.2. EVALUATION AND SELECTION

RFQu statements of qualifications should be concise, well-organized per the requested information, clearly written. The evaluation process places considerable emphasis the responsiveness of the RFQu response to the minimum qualifications outlined above. RFQu responses that are not written specifically in response to this request may not receive serious consideration.

The firms under consideration for this RFQu, will be evaluated by a Procurement Officer. The City reserves the right to request supplemental information that the Procurement Officer deems necessary to make a selection. The Procurement Officer may be supplemented by outside professionals or professionals from other City departments who can provide additional expertise.

3.3. AGREEMENT

The language contained in this RFQu and the Offeror's statement of qualifications will form the basis of any resulting Contract. However, this RFQu does not commit the City to enter a Contract, to pay any costs incurred in the preparation of a submittal to this request or in subsequent negotiations, or to procure a contract for the project(s).

3.4. INTRODUCTION

The City of Phoenix on behalf of the Finance Department, Risk Management Division, invites sealed statements of qualifications for Liability Claim Adjustment, Subrogation, and Vehicle Damage Appraisal Services for a five-year period, in accordance with the specifications and provisions contained herein. It is the City's intent to award and create a qualified vendor list of independent adjusting firms and to distribute assignments at the City's discretion.

The City of Phoenix maintains a large, self-insured retention for third-party General and Auto Liability for the majority of its exposures. Excess liability insurance coverage is purchased but is only involved above a significant retention level. The most common types of liability claims that are likely to be assigned to an adjustment firm include those associated with police and fire operations; use of heavy equipment; maintenance of premises open to the general public, including parks and libraries; street design and maintenance; contained and uncontained trash pickup removal and recycling; the treatment and distribution of water and wastewater; and the operation of a variety of motor vehicles. There may be other types of claims that arise from other City operations and programs that are not listed above.

Subrogation services have been added to the required list of contractor services since the previous solicitation.

The adjustment of claims arising out of airport and aircraft operations is not included as part of the Scope of Work for this RFOu.

Most of the claims submitted to the City are handled by the City's Risk Management Division Employs Claims Adjuster. Larger claims, claims that require field investigation, and overflow claims in peak periods may be assigned to contract claims adjusting companies in accordance with this contract, depending upon in-house caseloads. The City assigns a limited number of complex or serious injury claims directly to private investigators, and such claims are not subject of this RFQu.

The chart below shows the general methodology used to determine whether a claim is handled in-house, assigned to an independent adjuster, or assigned directly to a private investigator.

Type of Claim	In-house	Independent Claims Adjusting Firm	Private Investigator
Auto & General Liability Property Damage Only	X	X (Overflow & those requiring field work)	
Auto & General Liability Bodily Injury only or Bodily Injury and Property Damage combined	X	X	
Property Damage 1 st and 3 rd party claims		X	
Water Main Break and Sewer Backup Claims		X	
Catastrophic injury and complex liability Issues			X
Police Liability, Roadway Design/ Operation Liability claims involving serious injuries or fatalities			X

3.5. GENERAL REQUIREMENTS APPLICABLE TO THE SERVICE

- A. The purpose of the RFQu is to obtain the services of contractors to investigate, adjust, settle or deny claims, when appropriate, on behalf of the City for liability claims alleged to have been caused by the City. The City will issue all payments.
- B. The Contractor will handle the claim from assignment to conclusion. This will include but not be limited to the activities listed in the Scope of Work for all service categories listed under Scope of Work, Items 3.1.A.1. - 3.1.A.7..
- C. The Contractor shall handle assignments on behalf of the City only when requested to do so by the City's Risk Management Division, or when reported by other identified City Departments during night-time hours or on weekend/holidays.
- D. The City's Public Works Department/Equipment Management Division will also order Vehicle Appraisal Services on as needed basis.
- E. The firm(s) selected shall be licensed to conduct business in the State of Arizona. Its employees assigned to work under this Contract shall have the Arizona Insurance Adjuster's license and be in good standing with Arizona Department of Insurance.

- F. At the time work begins, Contractor shall provide City with a list of assigned claims adjusters and supervisory/management personnel and will update it as changes occur. This list must include phone numbers, fax numbers and email addresses of the persons listed. At the time of any changes, Contractor will provide City with copies of resumes of new personnel.
1. The offeror will work with the Risk Management Division in selecting a specific adjuster employed by the offeror to perform one or more particular assignments. The offeror also agrees to assign experienced personnel to provide for successful and timely accomplishment of work to be performed under this contract.
- G. Contractor shall assign an Account Manager located full-time in the Phoenix area, who is sufficiently qualified, to work with City on all matters relating to the contract.
- H. Subcontracting for investigation/adjustment/appraisal services is not allowed without the express written approval of the City. Express City authorization is required to use special consultants to provide technical services such as Independent Medical Examinations. Authorized special consultant expenses will be reimbursed at actual cost in addition to the per claimant adjustment fee. The offeror may propose the use of a subcontractor to perform Vehicle Damage Appraisals by identifying the proposed subcontractor in their Proposal.
- I. The Contractor will provide a 24-hour/7-day contact number for City use in contacting adjusters as needed after business hours and on weekends.
1. The Contractor will guarantee that a person will be available to return such calls within 15 minutes of the call, and to respond to the location of the incident within a three-hour period. Such calls will almost always arise out of water main breaks or sewage backups. The City estimates that an average of one to two after-hours or weekend calls per month occur. In such cases, the City's Water Services Department will call and make the assignment. The adjuster's role is to fully adjust the claim, view and photograph any damage, and oversee restoration contractor(s). A City of Phoenix representative external from the Risk Management Division may contact the contractor(s) for after-hours incidents. It will be the contractor(s) responsibility to contact a restoration service contractor off the City of Phoenix qualified list, which will be provided by the Risk Management Division.
 2. The contractor shall notify the City's Risk Management Coordinator, Risk Management Division, of any such assignment the next business day following the assignment.
- J. The contractor will notify the City of any claim that may be subject to the federal mandatory reporting provisions of the Medicare, Medicaid, and SCHIP Act of 2007. The City maintains its own system for reporting such claims and will submit the mandatory reports and other queries using information provided via the contractor's investigation.
- K. It is mutually agreed that all files and all file materials are the property of the City and any or all files will be delivered to City upon City's request. City staff and City-hired consultants

may, at any time, perform file audits or review any single City file at the Contractor's office, or via electronic means if the Contractor's database allows for City staff access.

- L. At the expiration of the contract, Contractor agrees to handle at no additional charge to the City all open or re-opened claim files that were assigned to the contractor during the contract term, until file is concluded by payment or denial which is agreed upon by the City, or initiation of litigation, for one year beyond Contract expiration date.
- M. The City expects the contractor to provide prompt, fair and professional liability claims adjusting services to supplement the service provided by the City's in- house staff. Claims are to be thoroughly investigated in preparation for any potential litigation. Legitimate claims are to be settled equitably and promptly. Claims believed to be without merit, as a matter of policy, will be vigorously defended. The contractor will be required to take the primary role in the claim adjustment process for all claims assigned to the contractor, unless otherwise advised by the City. It is also critical for the contractor to understand that parties filing claims with the City are citizens, taxpayers and the customers of the City of Phoenix and must be treated with all due courtesy.

3.6. REQUIRED ACTIVITIES - FULL-SERVICE CLAIM ADJUSTMENT

- A. The following activities are to be performed on all files assigned pursuant to Full-Service Claim Adjustment. Any additional information necessary to properly evaluate claims is to be followed up on and investigated by the adjuster.

B. INVESTIGATION AND ADJUSTMENT ACTIVITIES

1. **SITE INVESTIGATION:** The accident scene must be photographed from all angles with identifiable landmarks and measurement devices, as soon as possible following the accident. The accident scene should be canvassed for possible witnesses not identified by police investigation when necessary to determine the facts of the accident. Digital photographs are preferred.
2. **CLAIMANT CONTACT:** Claimants shall be contacted within 48 hours of receipt the claim assignment from the Risk Management Division. This is to be documented in the adjuster's file by way of the adjuster's notes or a copy of a contact letter sent to the claimant, if the adjuster is unable to establish verbal contact within 48 hours.
3. **VEHICLE DAMAGE:** Digital photographs are required. Photograph all vehicles involved in the accident in sufficient detail as to depict the point of impact and the nature and extent of damage. If there is any indication of a defective condition of a vehicle which could have contributed to the cause of the accident, an inspection of the vehicle by an appropriate expert should be ordered immediately before the vehicle is altered, repaired or otherwise disposed, and repair or maintenance history should be obtained. Costs of such experts will be paid as an expense item on the claim file.
4. **VEHICLE DAMAGE APPRAISALS:** Vehicle damage appraisals are required by the Risk Management Division only when estimated damage to claimant vehicle is greater

- than \$5,000, or as specifically requested by the City. Vehicle damage appraisals are to be charged at a separate flat rate
5. **WITNESSES:** Contact all witnesses for statements as quickly as possible. Written or recorded statements should be obtained from witnesses when appropriate. Contact or courtesy cards written by witnesses are not acceptable in place of statements taken in the adjusting process.
 6. **INTERVIEWS OF CITY STAFF:** Contact all involved City employees and interview them for their version of the occurrence. Unless otherwise instructed by the City, do not take written or recorded statements of City employees.
 7. **PROPERTY DAMAGE:** Obtain itemized repair estimates/bills. The adjuster must obtain proper documentation for replacement of damaged, destroyed, or lost property to document the amount of the requested claim payment. Contractor is responsible for proper disposal of salvage.
 8. **MEDICAL REPORTS AND HOSPITAL RECORDS:** Obtain comprehensive medical reports from the attending physician and any consulting specialist setting forth medical history, examinations and tests performed, treatment administered, diagnosis and prognosis. Obtain hospital records, whether for emergency care, outpatient or in-patient care.
 9. **MEDICAL BILLS:** Obtain copies of itemized bills for medical treatment. These should show the actual amounts which the claimant and/or any insurer has paid to the health care provider. Report Medicare, Medicaid, ACCCHS or any other liens immediately upon receipt.
 10. **OTHER TORTFEASORS:** Identify other potential tortfeasors. If appropriate, place these parties on notice of the occurrence and refer the claim to them for handling when appropriate. Pursue subrogation or comparative fault indemnity reimbursements when applicable.
 - a. When a claim arises out of or in connection with a construction project, the adjuster should ascertain whether the project was done pursuant to permit issued by the City or construction work being done by a contractor for the City. Claim should be tendered to the appropriate party depending on the terms of the permit or contract with the City.
 11. **RECOMMENDING RESERVES:** Contractor shall utilize the method of "Ultimate Probable Cost" to recommend reserves. Risk Management sets initial reserves on all claims at the time of assignment. As the contractor develops additional information, and reserve changes are recommended, contractor shall report the recommendations to the Risk Management Division as a part of the regular reporting.

12. **BRANCH ASSIST:** Claimants residing out of the immediate vicinity of the contractor's local office may be handled on a branch assist basis without any additional cost to the City.
13. **SETTLEMENTS AND RELEASES:** Contractor shall negotiate settlement after having obtained City authority. The City will issue a check or a warrant and will send it to the contractor to give to the claimant or attorney, as directed. The contractor shall obtain the appropriate Release of All Claims on all liability claim settlements.
14. **FORMS:** Forms such as a W9 will be required to settle all claims and make a payment to claimants. Failure to attain this form may cause delay/ closure and non-payment of the claim.
15. **NOTIFY CLAIMANTS OF CLAIMS STATUTE:** The contractor is responsible for notifying all claimants of the tolling of the Arizona claims statute (A.R.S. 12-821.01) or any other applicable statute of limitations, in conformance with the procedures of the Risk Management Division.
16. **TELEPHONE AND E-MAIL COURTESY:** All telephone calls shall be returned, and all e-mail correspondence shall be answered, before the end of the next business day. Telephone calls for adjusters who are no longer with the company shall be directed to a supervisor or manager when a replacement adjuster has not been assigned.
17. **MEETINGS WITH CITY STAFF:** Contractor shall be available to formally confer with the Risk Management Division and other designated City staff to resolve issues requiring immediate attention. These meetings will be at no additional charge to the City and will be conducted at times and locations established by the Risk Management Division. This includes attending Claims Committee meetings on claims exceeding \$15,000 in value. Based on information provided by adjusters, the Risk Management Division will provide advance notice of Claims Committee meetings.
18. **CLAIMS PROCESSING:** All claims will be managed through the City's Risk Management system, currently STARS. All claims' data, attachments, reports, invoices are the property of the City of Phoenix. Duplicate claims, information and storage is not allowed by any of the offerors.

3.7. SUBROGATION SERVICES

- A. The City of Phoenix intends to aggressively pursue any and all avenues to recovery of costs through subrogation. In this subsection, the City has outlined its minimum expectations of its claims partner for subrogation recovery efforts.
- B. Contractor shall pursue subrogation opportunities against insurance carriers, organizations, and/or individuals, where practical and possible.
- C. The Contractor shall:

1. coordinate, investigate and aggressively pursue subrogation claims to maximize the City's revenue;
2. identify potential subrogation opportunities through vehicle damage reports, incident reports, departmental accident reports, correspondence from insurance agencies or other informational sources and refer to Risk Management Coordinator/Risk Manager for assignment;
3. provide an action plan and referral process for future/new subrogation claims;
4. conduct investigations related to the support of the City's subrogation program, Third-Party Claims Services;
5. communicate with Risk Management Coordinator, Risk Manager or Deputy Finance Director (as applicable) on all settlements and must submit written requests for settlement approval to the Risk Management Coordinator, Risk Manager or Deputy Finance Director (as applicable) along with the documentation supporting settlement recommendation. Contractor must at all times appropriately protect the City's interests and negotiate settlements as authorized by the Risk Management Coordinator, Risk Manager or Deputy Finance Director (as applicable);
6. ensure that all subrogation settlement checks must be made payable to the City of Phoenix only;
7. cooperatively and productively interact with various City personnel in the procurement of documentation needed to support the subrogation claim;
8. designate a Program Manager who shall have overall responsibility for supervision of Contractor's performance of this program;
9. give prompt attention and regard to the instructions, directions, and requests of the City;
10. provide a qualified licensed appraiser that has the experience, special education or training in appraising Automobile, Heavy Equipment and General Property;
11. assign a responsive team of qualified subrogation specialists/adjusters and support staff to provide the services requested in this RFQu;
12. ensure that any possible conflict of interests are promptly reported to the City for handling; and
13. represent that the individuals identified in Contractor's submission are its regular employees and will be assigned to complete Contractors' obligations.

3.8. REQUIRED REPORTS

- A. All Reports shall be sent electronically to the City staff Adjuster in PDF format. Digital photographs shall be sent as separate files, not embedded in the report. Photographs

should be in a compressed format whenever possible. Large enclosures, such as packets of medical bills, should be sent separately through the mail.

1. **ACKNOWLEDGMENT:** Adjusters shall send an acknowledgment report to the City within two (2) calendar days after contractor receives the new claim assignment. The purpose of this report is to assure the assignment has been received and assigned. All assignments shall be date/time stamped by the contractor to note receipt of the claim from the City.
2. **CLAIMS UNDER \$7,500:** On claims with a reserve of \$7,500 or less, only the acknowledgment report and a closing report are required. If the reserve is increased above \$7,500, then regular, full reports will be required.
3. **CLAIMS OVER \$7,500:** For cases with reserves above \$7,500, reports to the City Risk Management Coordinator, Risk Manager or Deputy Finance Director (as applicable) supervising the file shall be sent every 30 days from the date of the preceding report unless otherwise agreed upon by the adjuster and Risk Management staff. Contractor will provide enclosures so that the Risk Management file will contain all the information in the Contractor's file.
 - a. For all claims reserved above \$7,500, the first full report shall be forwarded to Risk Management within thirty (30) days after receipt of the claim. The report shall be in the format and contain the information as shown in **Attachment A**.
4. **SHORT FORM REPORT:** The Short Form Report may be used after a Full Report has been submitted. The report shall be in the format and contain the information as shown in **Attachment B**.
5. **ADDITIONAL REPORTS:** The City may require additional reports for unusual or problem files.
6. **CLAIM FILE REVIEW WORKSHEET (Attachment C):** Contractor will complete a Claim File Review Worksheet for each claim assigned to them.
 - a. Claim File Review Worksheets shall be subject to intermittent audit by the City staff Adjuster, as requested.
 - b. Contract shall endeavor to score the most points possible on each Claim File Review Worksheet.

3.9. SETTLEMENT AUTHORITY

The contractor will have settlement authority of up to \$7,500 per claimant. Payments exceeding \$7,500 cannot be settled without the express written approval of the City, Risk Management Coordinator, Assistant Risk Management Administrator or Deputy Finance Director (as applicable). Claims with values over \$15,000 are authorized through the City's Claims Committee. The Contractor will be responsible to reimburse the City for any unauthorized claim payment or commitment to pay.

3.10. LITIGATED CLAIMS

- A. Contractor is responsible for the following activities on claims that go into litigation:
 - 1. Provide a copy of the claim file to defense counsel.
 - 2. Respond to any questions from defense counsel regarding the investigation, evaluation, or status of settlement negotiations.
 - 3. Finalize settlement negotiations when plaintiff counsel agrees to an open extension while an attempt is made to resolve the case.
 - 4. Deposition or trial testimony will be paid pursuant to the hourly fee.
- B. The City assumes all responsibility for litigation management beyond those activities listed in above.

3.11. LIMITED INVESTIGATION/ADJUSTMENT SERVICES

The City will make Limited Investigation/Adjustment Services assignments when a full investigation is unnecessary and only certain item(s) of investigation are required, as specified by the City staff Adjuster. Limited Investigation/Adjustment Services include, but are not limited to, statements of claimants/witnesses, etc., photograph/ diagram of loss site, inventory of damaged property, etc. These types of assignments occur on an infrequent basis.

Reports, including any applicable accompanying information, are to be sent to the assigned City staff Adjuster as soon as possible, and always within 14 days from receipt of the assignment by the contractor. Subsequent reports, if any are needed, shall be sent every 14 days until completion of assignment.

3.12. VEHICLE DAMAGE APPRAISAL

Appraisals are required as per the full Investigation for Full-Service Liability Claim Adjusting - Excluding Water Main Breaks and Sewer Backups, or they may be requested without requiring any other claim work under this Vehicle Appraisal Services. Additionally, appraisals of City vehicles may be ordered under this contract from time to time by the Public Works Equipment Management Division. Equipment Management Division appraisals will be billed to the Equipment Management Division, as per Section VII.B. Appraisals performed under the Appraisal section of the Fee Schedule shall be performed within one business day of the assignment whenever possible. The report shall be sent to the City staff Adjuster or Equipment Management's representative within one business day of performing the appraisal. Photographs of the damaged vehicle are to be included, showing the damaged vehicle from all sides, the odometer reading, including specific photographs to document the damaged areas and overall condition of the vehicle.

3.13. FEES

Fees set forth in Pricing_Proposal_RFQu-25-0552, shall include adjuster, clerical, and management salaries, commissions, wages, employee benefits, and other compensation, set-up and file management fees, equipment, mailing, emailing, office supplies, photographs and photographic equipment, supplies and costs, telephone, photocopying, mileage, subcontracting

costs excluding authorized Special Consultants or Experts, all similar and related internal costs, overhead and profit.

3.14. CITY'S ENGAGEMENT PROCESS WITH QUALIFIED OFFERORS

The City will make two attempts within 24 hours to contact a Contractor before contacting another Contractor to provide services.

However, for full-Service Liability Claim Adjusting - For Water Main Breaks or Sewer Backups the City will make two attempts within 2 hours to contract a Contractor before contacting another Contractor to provide services.

4. Evaluation Process

Evaluation Criteria

No.	Evaluation Criteria	Scoring Method	Weight (Points)
1.	<p>MINIMUM QUALIFICATION CRITERIA</p> <p>These minimum qualifications must be included, otherwise the offeror may be deemed non-responsive:</p> <ul style="list-style-type: none"> A. Offerors must submit a Statement of Qualifications for one or more of the seven service categories listed as Items 3.1.A.1. - 3.1.A.7.. (Reference 3.1.A.) B. Offerors must be licensed to conduct business in the State of Arizona (Reference 2.8.). Its employees assigned to work under this contract must have the Arizona Insurance Adjuster's license and be in good standing with Arizona Department of Insurance. Offerors must submit copies of licenses with the proposal. (Reference 3.1.B.1.) C. Offerors must submit resumes for key staff as a part of the Statement of Qualifications. (Reference 3.1.B.2.) D. Offerors must submit a minimum of 3 references from prior clients which the Contractor is currently furnishing or has furnished, completed service for liability claim adjustment, subrogation services, or vehicle damage appraisal services. (Reference 3.1.B.3.) E. Offerors must demonstrate having been in business for a minimum of five years offering services for each service category the offeror is submitting for, see service categories above Items 3.1.A.1. - 3.1.A.7.. (Reference 3.1.B.4.) F. Offerors must submit a claims status report sample. (Reference 3.1.B.5.) 	Pass / Fail	600 <i>(60% of Total)</i>
2.	<p>Requirements and Services</p> <ul style="list-style-type: none"> A. Offerors will attest to their commitment to meet the scope of work listed under 3.5. GENERAL REQUIREMENTS APPLICABLE TO THE SERVICE. In addition, they will describe, in detail, how they will go about meeting that same scope of work. (Reference 3.5.all) B. Offerors will attest to their commitment to meet the scope of work listed under 3.8. REQUIRED REPORTS, 3.9. SETTLEMENT AUTHORITY, 3.10. LITIGATED CLAIMS, and 3.11. LIMITED INVESTIGATION/ADJUSTMENT SERVICES. In addition, they will describe, in detail, how they will go about 	Pass / Fail	400 <i>(40% of Total)</i>

	<p>meeting that same scope of work. (Reference 3.8. through 3.11.)</p> <p>C. If the Offeror submits a Statement of Qualifications for Full-Service Claim Adjusting (3.1.A.1., 3.1.A.2., or 3.1.A.4.), then they will attest to their commitment to meet the scope of work listed under 3.6. REQUIRED ACTIVITIES - FULL-SERVICE CLAIM ADJUSTMENT. In addition, they will describe, in detail, how they will go about meeting that same scope of work. (Reference 3.6.all)</p> <p>1. If they do not submit a Statement of Qualifications for Full-Service Claim Adjusting (3.1.A.1., 3.1.A.2., or 3.1.A.4.), then they will clearly state that fact.</p> <p>D. If the Offeror submits a Statement of Qualifications for Subrogation and Recovery Services (3.1.A.5.), then they will attest to their commitment to meet the scope of work listed under 3.7. SUBROGATION SERVICES. In addition, they will describe, in detail, how they will go about meeting that same scope of work. (Reference 3.7.all)</p> <p>1. If they do not submit a Statement of Qualifications for Subrogation and Recovery Services (3.1.A.5.), then they will clearly state that fact.</p> <p>E. If the Offeror submits a Statement of Qualifications for Full-Service Claim Adjusting or Vehicle Appraisal Services (3.1.A.1. or 3.1.A.7.), then they will attest to their commitment to meet the scope of work listed under 3.12. VEHICLE DAMAGE APPRAISAL. In addition, they will describe, in detail, how they will go about meeting that same scope of work. (Reference 3.12.)</p> <p>1. If they do not submit a Statement of Qualifications for Full-Service Claim Adjusting or Vehicle Appraisal Services (3.1.A.1. or 3.1.A.7.), then they will clearly state that fact.</p>		
--	---	--	--

5. Standard Terms and Conditions

5.1. Definition of Key Words Used in the Solicitation

Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of Offer as non-responsive.

Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the Offer without the information.

May: Indicates something that is not mandatory but permissible.

For purposes of this solicitation, the following definitions will apply:

"A.R.S." Arizona Revised Statute

"Buyer" or "Procurement Officer" City of Phoenix staff person responsible for the solicitation. The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and responsible for monitoring and overseeing the Contractor's performance under this contract.

"City" The City of Phoenix

"Contractor" The individual, partnership, or corporation who, as a result of the competitive process, is awarded a contract by the City of Phoenix.

"Contract" or "Agreement" The legal agreement executed between the City of Phoenix, AZ and the Contractor.

"Days" Means calendar days unless otherwise specified.

"Chief Procurement Officer" The contracting authority for the City of Phoenix, AZ, authorized to sign contracts and amendments thereto on behalf of the City of Phoenix, AZ.

"Employer" Any individual or type of organization that transacts business in this state, that has a license issued by an agency in this state and employs one or more employees in this state. Employer includes this state, any political subdivision of this state and self-employed persons. In the case of an independent contractor, employer means the independent contractor and does not mean the person or organization that uses contract labor. (A.R.S. 23-211).

"Offer" Means a response from a Supplier, Contractor, or Service Provider to a solicitation request that, if awarded, binds the Supplier, Contractor, or Service Provider to perform in accordance with the contract. Same as bid, proposal, quotation or tender.

"Offeror" Any Vendor, Seller or Supplier submitting a competitive offer in response to a solicitation from the City. Same as Bidder or Proposer.

"Solicitation" Means an Invitation for Bid (IFB), Request for Proposal (RFP), Request for Quotations (RFQ), Request for Qualifications (RFQu) and request for sealed Offers, or any other type of formal procurement which the City makes public through advertising, mailings, or some other method of communication. It is the process by which the City seeks information, proposals, Offers, or quotes from suppliers.

“Suppliers” Firms, entities or individuals furnishing goods or services to the City.

“Vendor or Seller” A seller of goods or services.

5.2. Contract Interpretation

- A. **Applicable Law:** This Contract will be governed by the law of the State of Arizona, and suits pertaining to this Contract will be brought only in Federal or State courts in Maricopa County, State of Arizona.
- B. **Contract Order of Precedence:** In the event of a conflict in the provisions of the Contract, as accepted by the City and as they may be amended, the following will prevail in the order set forth below:
1. Federal terms and conditions, if any
 2. Special terms and conditions
 3. Standard terms and conditions
 4. Amendments
 5. Statement or scope of work
 6. Specifications
 7. Attachments
 8. Exhibits
 9. Instructions to Contractors
 10. Other documents referenced or included in the Solicitation
- C. **Organization – Employment Disclaimer:** The Agreement resulting hereunder is not intended to constitute, create, give rise to or otherwise recognize a joint venture agreement or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties will be only those expressly set forth in the agreement. The parties agree that no persons supplied by the Contractor in the performance of Contractor’s obligations under the agreement are considered to be City’s employees and that no rights of City civil service, retirement or personnel rules accrue to such persons. The Contractor will have total responsibility for all salaries, wage bonuses, retirement, withholdings, workmen’s compensation, occupational disease compensation, unemployment compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and will save and hold the City harmless with respect thereto.
- D. **Severability:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid will not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.

- E. **Non-Waiver of Liability:** The City of Phoenix as a public entity supported by tax monies, in execution of its public trust, cannot agree to waive any lawful or legitimate right to recover monies lawfully due it. Therefore, any Contractor agrees that it will not insist upon or demand any statement whereby the City agrees to limit in advance or waive any right the City might have to recover actual lawful damages in any court of law under applicable Arizona law.
- F. **Parol Evidence:** This Agreement is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage in the trade will be relevant to supplement or explain any term used in this Contract. Acceptance or acquiescence in a course of performance rendered under this contract will not be relevant to determine the meaning of this Contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.

5.3. Contract Administration and Operation

- A. **Records:** All books, accounts, reports, files and other records relating to the contract will be subject at all reasonable times to inspection and audit by the City for five years after completion of the contract. Such records will be produced at a City of Phoenix office as designated by the City. Confidentiality will be maintained, and City will not violate any proprietary or other confidentiality agreements Contractor has in place.
- B. **Discrimination Prohibited:** Contractor agrees to abide by the provisions of the Phoenix City Code Chapter 18, Article V as amended. Any Contractor, in performing under this contract, will not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age or disability nor otherwise commit an unfair employment practice. The supplier and/or lessee will take action to ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, or national origin, age or disability and adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort and responsibility, and that are performed within the same establishment under similar working conditions. Such action will include but not be limited to the following: Employment, promotion, demotion or transfer, recruitment or 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 with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract. Contractor further agrees that this clause will be incorporated in all subcontracts, job-contractor agreements or subleases of this agreement entered into by supplier/lessee.
- C. **Equal Employment Opportunity and Pay:** In order to do business with the City, Contractor must comply with Phoenix City Code, 1969, Chapter 18, Article V, as amended,

Equal Employment Opportunity Requirements. Contractor will direct any questions in regard to these requirements to the Equal Opportunity Department, (602) 262-6790.

1. **For a Contractor with 35 employees or fewer:** Contractor in performing under this Agreement shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The Contractor will ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The Contractor further agrees that this clause will be incorporated in all subcontracts related to this Agreement that involve furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this Agreement. Contractor further agrees that this clause will be incorporated in all subcontracts, Contractor agreements or subleases of this agreement entered into by supplier/lessee.
2. **For a Contractor with more than 35 employees:** Contractor in performing under this Agreement shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The Contractor will ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and shall adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The Contractor further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract. Contractor further agrees that this clause will be incorporated in all subcontracts, job-Contractor agreements or subleases of this Agreement entered into by supplier/lessee. The Contractor further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.

3. **Documentation:** Suppliers and lessees may be required to provide additional documentation to the Equal Opportunity Department affirming that a nondiscriminatory policy is being utilized.
 4. **Monitoring:** The Equal Opportunity Department shall monitor the employment policies and practices of suppliers and lessees subject to this article as deemed necessary. The Equal Opportunity Department is authorized to conduct on-site compliance reviews of selected firms, which may include an audit of personnel and payroll records, if necessary.
- D. **Legal Worker Requirements:** The City of Phoenix is prohibited by A.R.S. § 41-4401 from awarding a contract to any Contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees that:
1. Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. § 23-214, subsection A.
 2. A breach of a warranty under paragraph 1 will be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract.
 3. The City of Phoenix retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on the contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph 1.
- E. **Health, Environmental, and Safety Requirements:** The Contractor's products, services and facilities will be in full compliance with all applicable Federal, State and local health, environmental and safety laws, regulations, standards, codes and ordinances, regardless of whether or not they are referred to by the City. At the request of City representatives, the Contractor will provide the City:
1. Environmental, safety and health regulatory compliance documents (written safety programs, training records, permits, etc.) applicable to services provided by the Contractor in this contract.
 2. A list of all federal, state, or local (EPA, OSHA, Maricopa County, etc.) citations or notice of violations issued against their firm or their subcontractors including dates, reasons, dispositions and resolutions.
 3. The City will have the right, but not the obligation to inspect the facilities, transportation vehicles or vessels, containers and disposal facilities provided by the Contractor or subcontractor. The City will also have the right to inspect operations conducted by the Contractor or subcontractor in the performance of this agreement. The City further reserves the right to make unannounced inspections of the Contractor's facilities (during normal business hours).
- F. **Compliance with Laws:** Contractor agrees to fully observe and comply with all applicable Federal, State and local laws, regulations, standards, codes and ordinances when

performing under this Contract regardless of whether they are being referred to by the City. Contractor agrees to permit City inspection of Contractor's business records, including personnel records to verify any such compliance. Because the contractor will be acting as an independent contractor, the City assumes no responsibility for the Contractor's acts.

- G. **Lawful Presence Requirement:** Pursuant to A.R.S. §§ 1-501 and -502, the City of Phoenix is prohibited from awarding a contract to any natural person who cannot establish that he or she is lawfully present in the United States. In order to establish lawful presence, this person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. In the event the prevailing responder is unable to satisfy this requirement, the City will offer the award to the next-highest scoring responder. The law does not apply to fictitious entities such as corporations, partnerships and limited liability companies.
- H. **Continuation During Disputes:** Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as is possible, under the terms of the contract, the Contractor will continue to perform the obligations required of Contractor during the continuation of any such dispute unless enjoined or prohibited by an Arizona Court of competent jurisdiction.
- I. **Emergency Purchases:** The City reserves the right to purchase from other sources those items which are required on an emergency basis and cannot be supplied immediately from stock by the Contractor.

5.4. Governing Law; Forum; Venue

This Agreement is executed and delivered in the State of Arizona, and the substantive laws of the State of Arizona (without reference to choice of law principles) will govern their interpretation and enforcement. Any action brought to interpret or enforce any provision of this Agreement that cannot be administratively resolved, or otherwise related to or arising from this Agreement, will be commenced and maintained in the state or federal courts of the State of Arizona, Maricopa County, and each of the parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

5.5. Audit/Records

- A. The City reserves the right, at reasonable times, to audit Contractor's books and records relative to the performance of service under this Agreement. All records pertaining to this Agreement will be kept on a generally accepted accounting basis for a period of five years following termination of the Agreement.
- B. If, following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

5.6. Independent Contractor Status; Employment Disclaimer

- A. The parties agree that Contractor is providing the Services under this Agreement on a part-time and/or temporary basis and that the relationship created by this Agreement is that of independent contractors. Neither Contractor nor any of Contractor's agents, employees or helpers will be deemed to be the employee, agent, or servant of the City. The City is only interested in the results obtained under this Agreement; the manner, means and mode of completing the same are under the sole control of Contractor.
- B. This Agreement is not intended to constitute, create, give rise to, or otherwise recognize a joint venture, partnership or formal business association or organization of any kind, and the rights and obligations of the parties will be only those expressly set forth in this Agreement. The parties agree that no individual performing under this Agreement on behalf of Contractor will be considered a City employee, and that no rights of City Civil Service, City retirement or City personnel rules will accrue to such individual. Contractor will have total responsibility for all salaries, wages, bonuses, retirement, withholdings, worker's compensation, other employee benefits, and all taxes and premiums appurtenant thereto concerning such individuals and will save and hold harmless the City with respect thereto.

5.7. Costs and Payments

- A. Payments shall be made in proportion to the Services performed and no more than ninety percent (90%) of the total contract price shall be paid before the work is totally completed and accepted by the City.
- B. City will pay any sales or use taxes resulting from this Agreement. Consultant shall be solely responsible for payment of taxes based on Consultant's income. Consultant agrees that on all billings, invoices, books and records relating to this Agreement, Consultant will state the charges imposed for the sale, transfer and licensing of tangible personal property separately from charges imposed for professional, personal and technological services including, but not limited to, software installation, modification, training, consulting and technical telephone support.
- C. **Invoices.** Consultant shall submit invoices in arrears, on every other week basis. Each invoice will clearly note any Purchase Order number and be accompanied with itemized receipts which include approved timesheets. The invoice will be submitted free of mathematical errors and/or missing supporting documentation. All appropriate documentation supporting the charges reflected in the invoice will be provided with the invoice. Upon finding of an error and/or missing documentation, the City may return the invoice to the Consultant. Consultant will promptly resubmit the revised invoice to the City. Each revised invoice will document the date that the revised invoice is submitted to the City. Requests for payment must be submitted with documentation of dates and hours worked, hourly rate charged, and a detailed description of the Services performed. Oversight by the City in identifying an error does not result in waiver of any of the City's

rights. All properly submitted invoices will be paid promptly after the City's receipt of the invoice.

- D. **Commencement of Work.** The Consultant is cautioned not to commence any billable work or provide any material or service under this Agreement until Consultant receives a fully executed contract document or otherwise directed to do so, in writing by the City.
- E. **Late Submission of Claim by Contactor.** The City will not honor any invoices or claims which are tendered one (1) year after the last item of the account accrued.
- F. **No Advance Payments.** Advance payments are not authorized. Payment will be made only for actual services or commodities that have been received.
- G. **Fund appropriation Contingency.** The Consultant recognizes that this Agreement shall commence upon the day first provided and continue in full force and effect until termination in accordance with its provisions. The Consultant and the City herein recognize that the continuation of any Agreement after the close of any given fiscal year of the City of Phoenix, which fiscal year ends on June 30 of each year, shall be subject to the approval of the budget of the City of Phoenix providing for or covering such contract item as an expenditure therein. The City does not represent that said budget item will be actually adopted, said determination being the determination of the City Council at the time of the adoption of the budget.
- H. **IRS W9 Form.** In order to receive payment, the Consultant shall have a current IRS W-9 form on file with the City of Phoenix. The form can be downloaded at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

5.8. Contract Changes

- A. **Contract Amendments:** Whenever an addition, deletion or alteration to the Services described in Section 3 – Scope of Work substantially changes the Scope of Work thereby materially increasing or decreasing the cost of performance, a supplemental agreement must first be approved in writing by the City and Contractor before such addition, deletion or alteration will be performed. Changes to the Services may be made and the compensation to be paid to Contractor may be adjusted by mutual agreement, but in no event may the compensation exceed the amount authorized without further written authorization. It is specifically understood and agreed that no claim for extra work done or materials furnished by Contractor will be allowed except as provided herein, nor will Contractor do any work or furnish any materials not covered by this Agreement unless first authorized in writing. Any work or materials furnished by Contractor without prior written authorization will be at Contractor's risk, cost and expense, and Contractor agrees to submit no claim for compensation or reimbursement for additional work done or materials furnished without prior written authorization.
- B. **Non-Assignability:** This Agreement is in the nature of a personal services contract and Consultant shall have no power to assign this Agreement, including any right, duty, or obligation of Consultant under this Agreement, without the prior written consent of the City.

Consultant shall not subcontract with any third party for any component of the Services without the prior written consent of the City. Any attempt to assign or subcontract without the City's prior written consent shall be void. An essential consideration provided to the City by Consultant to induce the City to enter into the Agreement is Consultant's representation that the individual(s) performing services shall include Consultant's principals as selected through the Qualified Vendor solicitation process. Therefore, should such named individual(s) sever their relationship with Consultant, or otherwise be unavailable to carry out Consultant's duties under this Agreement for a period of time deemed to be excessive by the City in its sole and absolute discretion, then the City may, without notice, immediately terminate this Agreement for cause.

- C. **Non-Exclusive Contract:** Any contract resulting from this solicitation will be awarded with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods or services from another source when necessary.

5.9. Risk of Loss and Liability

- A. **Title and Risk of Loss:** The title and risk of loss of material or service will not pass to the City until the City actually receives the material or service at the point of delivery; and such loss, injury, or destruction will not release seller from any obligation hereunder.
- B. **Acceptance:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this contract will be held at Contractor's risk and may be returned to the Contractor. If so returned, all costs are the responsibility of the Contractor. Noncompliance will conform to the cancellation clause set forth in this document.
- C. **Force Majeure:** Except for payment of sums due, neither party will 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. Force majeure will not include late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition. If either party is delayed at any time in the progress of the work by force majeure, the delayed party will notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and will specify the causes of such delay in such notice. Such notice will be hand-delivered or mailed certified-return receipt and will make a specific reference to this provision, thereby invoking its provisions. The delayed party will cause such delay to cease as soon as practicable and will notify the other party in writing when it has done so. The time of completion will be extended by contract modification 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.
- D. **Loss of Materials:** The City does not assume any responsibility, at any time, for the protection of or for loss of materials, from the time that the contract operations have commenced until the final acceptance of the work by the City.

- E. **Contract Performance:** Contractor will furnish all necessary labor, tools, equipment, and supplies to perform the required services at the City facilities designated, unless otherwise specifically addressed in the scope, or elsewhere in this Agreement. The City's authorized representative will decide all questions which may arise as to the quality and acceptability of any work performed under the contract. If, in the opinion of the City's authorized representative, performance becomes unsatisfactory, the City will notify the Contractor. The Contractor will have 30 days from that time to correct any specific instances of unsatisfactory performance, unless a different amount of time is specified in the agreement. In the event the unsatisfactory performance is not corrected within the time specified, the City will have the immediate right to complete the work to its satisfaction and will deduct the cost to cover from any balances due or to become due the Contractor. Repeated incidences of unsatisfactory performance may result in cancellation of the agreement for default.

- F. **Damage to City Property:** Contractor will perform all work so that no damage to the building or grounds results. Contractor will repair any damage caused to the satisfaction of the City at no cost to the City. Contractor will take care to avoid damage to adjacent finished materials that are to remain. If finished materials are damaged, Contractor will repair and finish to match existing material as approved by the City at Contractor's expense.

5.10. City's Contractual Rights

Whenever one party to this contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five days, the demanding party may treat this failure as an anticipatory repudiation of this contract.

- A. **Non-Exclusive Remedies:** The rights and remedies of the City under this Contract are non-exclusive.

- B. **Default in One Installment to Constitute Breach:** Each installment or lot of the agreement is dependent on every other installment or lot and a delivery of non-conforming goods or a default of any nature under one installment or lot will impair the value of the whole agreement and constitutes a total breach of the agreement as a whole.

- C. **On Time Delivery:** Because the City is providing services which involve health, safety and welfare of the general public, delivery time is of the essence. Delivery must be made in accordance with the delivery schedule promised by the Contractor.

- D. **Default:** In case of default by the Contractor, the City may, by written notice, cancel this contract and repurchase from another source and may recover the excess costs by (1) deduction from an unpaid balance due; (2) collection against the Solicitation and/or Performance Bond, or (3) a combination of the aforementioned remedies or other remedies as provided by law.

- E. **Covenant Against Contingent Fees:** Seller warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employers or bona fide established commercial or selling agencies maintained by the seller for the purpose of securing business. For breach or violation of this warranty, the City will have the right to annul the contract without liability or in its discretion to deduct from the contract price a consideration, or otherwise recover the full amount of such commission, brokerage or contingent fee.
- F. **Cost Justification:** In the event only one response is received, the City may require that the Contractor submit a cost proposal in sufficient detail for the City to perform a cost/price analysis to determine if the Offer price is fair and reasonable.
- G. **Work Product, Equipment, and Materials:** All work product, equipment, or materials created or purchased under this contract belongs to the City and must be delivered to the City at City's request upon termination of this contract. Contractor agrees to assign to City all rights and interests Contractor may have in materials prepared under this contract that are "works for hire" within the meaning of the copyright laws of the United States, including any right to derivative use of the material.

5.11. Contract Termination

- A. **Gratuities:** The City may, by written notice to the Contractor, cancel this contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City making any determinations with respect to the performing of such contract. In the event this contract is canceled by the City pursuant to this provision, the City will be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.
- B. **Conditions and Causes for Termination:**
 - 1. This contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty-day written notice to Contractor. The City at its convenience, by written notice, may terminate this contract, in whole or in part. If this contract is terminated, the City will be liable only for payment under the payment provisions of this contract for services rendered and accepted material received by the City before the effective date of termination. Title to all materials, work-in-process and completed but undeliverable goods, will pass to the City after costs are claimed and allowed. The Seller will submit detailed cost claims in an acceptable manner and will permit the City to examine such books and records as may be necessary in order to verify the reasonableness of any claims.
 - 2. Immediately upon receiving a written notice to terminate or suspend Services, Contractor will:

- Discontinue advancing the work in progress, or such part that is described in the notice.
 - Deliver to the City all collected raw data, draft reports, preliminary reports, working papers, estimates and forecasts entirely or partially completed, together with all unused materials supplied by the City.
 - Appraise the work it has completed and submit its appraisal to the City for evaluation.
 - Be paid in full the pro rata value for services performed to the date of its receipt of the Notice of Termination, including reimbursement for all reasonable costs and expenses incurred by Contractor in terminating the work, including demobilization of field service. No payment will be made for loss of anticipated profits or unperformed services.
3. The City reserves the right to cancel the whole or any part of this contract due to failure of Contractor to carry out any term, promise, or condition of the contract. The City will issue a written notice of default to Contractor for acting or failing to act as in any of the following:
- In the opinion of the City, Contractor provides personnel who do not meet the requirements of the contract;
 - In the opinion of the City, Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this contract;
 - In the opinion of the City, Contractor attempts to impose on the City personnel or materials, products or workmanship, which is of an unacceptable quality;
 - Contractor fails to furnish the required service and/or product within the time stipulated in the contract;
 - In the opinion of the City, Contractor fails to make progress in the performance of the requirements of the contract and/or gives the City a positive indication that Contractor will not or cannot perform to the requirements of the contract.
- C. **Final Payment:** The City shall make final payment for all Services performed and accepted within sixty (60) days after Contractor has delivered to the City any final progress reports, documentation, materials and evidence of costs and disbursement as required under this Agreement.
- D. **Temporary Suspension.** The City may, by written notice, direct Consultant to suspend performance on all or any part of the Services for such period of time as may be determined by the City to be necessary or desirable for its convenience. If such suspension causes additional expense to Consultant in performance, and such additional expense is not due to fault or negligence of Consultant, the payment will be adjusted on the basis of actual costs resulting directly from the suspension, and the period for

performance of the Services will be extended by mutual agreement. Any claim by Consultant for a price adjustment must be supported by appropriate documentation asserted promptly after Consultant has been notified to suspend performance.

- E. **Contract Cancellation:** All parties acknowledge that this contract is subject to cancellation by the City of Phoenix pursuant to the provision of Section 38-511, Arizona Revised Statutes.

5.12. Notice

All notices, consents, approvals, and other communications ("Notice") between the City and Contractor that are required to be given under this Contract shall be in writing and given by (1) personal delivery, (2) email with return receipt requested (read receipt), (3) facsimile transmittal with delivery confirmation, (4) prepaid delivery to any commercial air courier or express delivery service, or (5) registered or certified mail, postage prepaid and return receipt requested, through the United States Postal Service.

Notices to the City shall be sent to: City of Phoenix Finance Department, Procurement Division Procurement@phoenix.gov.

Notice to Contractor shall be sent to the person at the mailing address, email address, or fax number listed by Contractor in its Offer in Submittal Forms - Offer Page.

5.13. Integration

This Agreement constitutes and embodies the full and complete understanding and agreement of the parties hereto and supersedes all prior understandings, agreements, discussions, proposals, bids, negotiations, communications, and correspondence, whether oral or written. No representation, promise, inducement or statement of intention has been made by any party hereto which is not embodied in this Agreement, and no party will be bound by or liable for any statement of intention not so set forth.

5.14. Conflicts of Interest

- A. Contractor acknowledges that, to the best of its knowledge, information and belief, no person has been employed or retained to solicit or secure this Agreement upon a promise of a commission, percentage, brokerage, or contingent fee, and that no member of the Phoenix City Council or any employee of the City has any financial interest in the consulting firm. For breach of violation of this warranty, the City will have the right to annul this Agreement without liability, including any such commission, percentage, brokerage or contingent fee.
- B. The City reserves the right to immediately terminate the contract in the event that the City determines that Contractor has an actual or apparent conflict of interest.
- C. Upon a finding by the City that gratuities in the form of entertainment, gifts or inducements were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the City for the purpose of securing this Agreement, or securing favorable treatment with respect to the awarding, amending, or making of any determination with respect to the performance of this Agreement, the City may, by one

calendar day written notice to Contractor, terminate the right of Contractor to proceed under this Agreement, provided that the existence of the facts upon which the City made such finding will be an issue and may be litigated in an Arizona court of competent jurisdiction. In the event of such termination, the City will be entitled to the same remedies against Contractor as could be pursued in the event of default by Contractor.

D. This Agreement is subject to the requirements of Arizona Revised Statutes §38-511.

5.15. Waiver of Claims for Anticipated Profits

Contractor waives any claims against the City and its officers, officials, agents and employees for loss of anticipated profits caused by any suit or proceeding, directly or indirectly, involving any part of this Agreement.

5.16. State and Local Transaction Privilege Taxes

In accordance with applicable state and local law, transaction privilege taxes may be applicable to this transaction. The state and local transaction privilege (sales) tax burden and legal liability to remit taxes are on the Contractor that is conducting business in Arizona and the City of Phoenix. Any failure by the Contractor to collect applicable taxes from the City will not relieve the Contractor from its obligation to remit taxes. It is the responsibility of the prospective bidder to determine any applicable taxes. The City will look at the price or offer submitted and will not deduct, add or alter pricing based on speculation or application of any taxes, nor will the City provide advice or guidance. If you have questions regarding your tax liability, please seek advice from a tax professional prior to submitting your Offer. You may also find information at <https://www.phoenix.gov/finance/plt> or <https://www.azdor.gov/Business>. Once your Offer is submitted, the Offer is valid for the time specified in this Solicitation, regardless of mistake or omission of tax liability. If the City finds over payment of a project due to tax consideration that was not due, the Contractor will be liable to the City for that amount, and by contracting with the City, the Contractor agrees to remit any overpayments back to the City for miscalculations on taxes included in an offer price.

5.17. Tax Indemnification

Contractor will pay all federal, state and local taxes applicable to its operation and any persons employed by the Contractor, and require the same of all subcontractors. Contractor will hold the City 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, and require the same of all subcontractors.

5.18. Tax Responsibility Qualification

Contractor may be required to establish, to the satisfaction of City, that any and all fees and taxes due to the City or the State of Arizona for any License or Transaction Privilege taxes, Use Taxes or similar excise taxes, are currently paid (except for matters under legal protest). Contractor agrees to a waiver of the confidentiality provisions contained in the City Finance Code and any similar confidentiality provisions contained in Arizona statutes relative to State Transaction Privilege Taxes or Use Taxes. Contractor agrees to provide written authorization to the City Finance Department and to the Arizona State Department of Revenue to release tax information

relative to Arizona Transaction Privilege Taxes or Arizona Use Taxes in order to assist the Department in evaluating Contractor's qualifications for and compliance with contract for duration of the term of contract.

5.19. No Israel Boycott

If this Contract is valued at \$100,000 or more and requires Contractor (a company engaging in for-profit activity and having ten or more full-time employees) to acquire or dispose of services, supplies, information technology, or construction, then Contractor must certify and agree that it does not and will not boycott goods or services from Israel, pursuant to Title 35, Chapter 2, Article 9 of the Arizona Revised Statutes. Provided that these statutory requirements are applicable, Contractor by entering this Contract now certifies that it is not currently engaged in, and agrees for the duration of the Contract to not engage in, a boycott of goods or services from Israel.

5.20. No Forced Labor of Ethnic Uyghurs

If this Contract requires Contractor (a company engaging in for-profit activity and having ten or more full-time employees) to acquire or dispose of services, supplies, information technology, goods, or construction, then pursuant to Title 35, Chapter 2, Article 10 of the Arizona Revised Statutes Contractor must certify and agree that it and any contractors, subcontractors, or suppliers it utilizes do not and will not use the forced labor of ethnic Uyghurs in the People's Republic of China or any goods or services produced by such forced labor. Provided these statutory requirements are applicable, Contractor, by entering this Contract, now certifies it is not currently engaged in, and agrees for the duration of the Contract to not engage in, (a) the use of forced labor of ethnic Uyghurs in the People's Republic of China; (b) the use of any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (c) the use of any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

5.21. Advertising

Except as required by law, Contractor shall not publish, release, disclose or announce to any member of the public, press, official body, or any other third party any information or documents concerning this Agreement or any part thereof without the prior written consent of the City. The name of any City site on which services are performed by the Contractor pursuant to this Agreement shall not be used in any advertising or other promotional context by Contractor without the prior written consent of the City.

5.22. Strict Performance

Failure of either party to insist upon the strict performance of any item or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the acceptance of materials or services, obligations imposed by this contract, or by law, will not be deemed a waiver of any right of either party to insist upon the strict performance of the contract.

5.23. Authorized Changes

The City reserves the right at any time to make changes in any one or more of the following: (a) specifications; (b) methods of shipment or packing; (c) place of delivery; (d) time of delivery; and/or (e) quantities. If the change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule,

or both. Any claim for adjustment will be deemed waived unless asserted in writing within sixty days from the receipt of the change. Price increases or extensions of delivery time will not be binding on the City unless evidenced in writing and approved by the Chief Procurement Officer prior to the institution of the change.

5.24. Claims or Demands Against the City

- A. Contractor acknowledges and accepts the provisions of Chapter 18, Section 14 of the Charter of the City of Phoenix, pertaining to claims or demands against the City, including provisions therein for set-off of indebtedness to the City against demands on the City, and Contractor agrees to adhere to the prescribed procedure for presentation of claims and demands. Nothing in Chapter 18, Section 14 of the Charter of the City of Phoenix alters, amends or modifies the supplemental and complementary requirements of the State of Arizona Notice of Claim statutes, Arizona Revised Statutes §§ 12-821 and 12-821.01, pertaining to claims or demands against the City. If for any reason it is determined that the City Charter and state law conflict, then state law will control.
- B. Moreover, nothing in this Agreement will constitute a dispute resolution process, an administrative claims process, or contractual term as used in Arizona Revised Statutes § 12-821.01(C), sufficient to affect the date on which the cause of action accrues within Arizona Revised Statutes § 12-821.01(A) and (B).

5.25. No Third-Party Beneficiaries

The parties expressly agree that this Agreement is not intended by any of its provisions to create any right of the public or any member thereof as a third-party beneficiary nor to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

5.26. Contractor Requirements for the Mitigation of Heat-Related Illnesses and Injuries in the Workplace

Any contractor whose employees and contract workers perform work in an outdoor environment under this contract must keep on file a written heat safety plan. The city may request a copy of this plan and documentation of all heat safety and mitigation efforts currently implemented to prevent heat-related illnesses and injuries in the workplace. The plan must also be posted where it is accessible to employees. At a minimum, the heat safety and mitigation plan and documentation required under this provision shall include each of the following as it relates to heat safety and mitigation:

- A. Availability of sanitized cool drinking water free of charge at locations that are accessible to all employees and contract workers.
- B. Ability to take regular and necessary breaks as needed and additional breaks for hydration.
- C. Access to shaded areas and/or air conditioning.
- D. Access to air conditioning in vehicles with enclosed cabs. All such vehicles must contain functioning air conditioning by no later than May 1, 2025.

- E. Effective acclimatization practices to promote the physiological adaptations of employees or contract workers newly assigned or reassigned to work in an outside environment.
- F. Conduct training and make it available and understandable to all employees and contract workers on heat illness and injury that focuses on the environmental and personal risk factors, prevention, how to recognize and report signs and symptoms of heat illness and injury, how to administer appropriate first aid measures and how to report heat illness and injury to emergency medical personnel.

The contractor further agrees that this clause will be incorporated in all subcontracts with subcontractors, sublicensees or sublessees who may perform labor or services in connection with this contract. Additionally, the contractor agrees to require all subcontractors, sublicensees or sublessees to include this clause in all contracts with any third party who is contracted to perform labor or services in connection with this contract. It is the obligation of the contractor to ensure compliance by its subcontractors.

6. Special Terms and Conditions

6.1. Term of Contract

The term of this Contract will commence on or about April 1, 2025 and will continue for a period of five (5) years thereafter.

6.2. Price

All prices submitted shall be firm and fixed for the initial one-year of the contract. Thereafter, price increases will be considered annually provided the adjustments are submitted in writing with 60 days' notice to the Procurement Officer. Price increase requests shall be accompanied with written documentation to support the increase, such as a letter from the manufacturer, published price index, applicable change in law, etc. Price decrease requests do not require supporting documentation and are allowed at any time during the contract term.

The City will be the sole judge in determining the allowable increase amount. Price increases agreed to by any staff other than the Chief Procurement Officer are invalid. The Contractor acknowledges and agrees to repay all monies paid because of a requested price increase unless the increase was specifically approved, in writing, by the Chief Procurement Officer.

6.3. Method of Ordering

Contractor shall deliver items and/or services only upon receipt of a written purchase order. All Contractor invoices and packing/delivery tickets must include the City of Phoenix purchase order number.

6.4. Method of Invoicing

Invoice must be emailed in .pdf format to invoices@phoenix.gov and must include the following:

- City purchase order number or shopping cart number
- Items listed individually by the written description and part number
- Unit price, extended and totaled
- Quantity ordered, back ordered, and shipped
- Applicable tax
- Invoice number and date
- Delivery address
- Payment terms
- FOB terms
- Remit to address

6.5. Method of Payment

Payment to be made from Contractor's invoice and a copy of the signed delivery/service ticket submitted to cover items received and accepted during the billing period.

6.6. Partial Payments

Partial payments are not authorized on individual purchase orders. Payment will be made upon final delivery and acceptance of all goods and services on the purchase order.

6.7. Supplier Profile Changes

It is the responsibility of the Contractor to promptly update their profile in procurePHX at <https://www.phoenix.gov/procure>. If Contractor's legal identify has changed, the Procurement Officer must be notified immediately. Failure to do so may result in non-payment of invoices and contract termination.

6.8. Estimated Quantities or Dollar Amounts

Quantities and dollar amounts 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 or appropriated funds. It is expressly understood and agreed that the resulting contract is to supply the City with its complete actual requirement for the contract period.

6.9. Suspensions of Work

The City reserves the right to suspend work wholly or in part if deemed necessary for the best interest of the City. This suspension will be without compensation to the Contractor, other than to adjust the contract completion/delivery requirements.

6.10. Hours of Work

All work under this contract shall be coordinated with the City's authorized Department representative. Any changes to the established schedule must have prior written approval by the City's authorized Department representative.

6.11. Post Award Conference

A post-award conference will be held prior to commencement of any work on the project. The purpose of this conference is to discuss critical elements of the work schedule and operational problems and procedures.

6.12. Performance Interference

Contractor shall notify the City's authorized Department representative immediately of any occurrence and/or condition that interferes with the full performance of the contract and confirm it in writing within 24 hours.

6.13. Cooperative Agreement

In addition to the City and with approval of the Contractor, this contract may be extended for use by other municipalities and government agencies in the State of Arizona.

6.14. Exclusive Possession

All services, information, computer program elements, reports, and other deliverables which may be created under this contract are the sole property of the City of Phoenix and will not be used by the Contractor or any other person except with prior written permission by the City.

6.15. Licenses and Permits

Contractor will keep current Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this contract.

6.16. Miscellaneous Fees

Additional charges for fuel surcharges, delivery charges, dealer prep, environmental fees, waste disposal, shop supplies, set-up, freight and/or shipping and handling, etc. will not be paid. These costs must be incorporated in the pricing provided.

Labor rates (Shop and On-site) shall be charged as a flat hourly rate and are allowed only in performance of services under this agreement. Travel hours and other incidental fees will not be permitted under this agreement. Labor hours will be from “check-in” to “check-out” at the worksite.

6.17. Contacts with Third Parties

- A. Contractor or its subcontractors will not contact third parties to provide any information in connection to the Services provided under this Agreement without the prior written consent of the City. Should Contractor or its subcontractors be contacted by any person requesting information or requiring testimony relative to the Services provided under this Agreement or any other prior or existing Agreement with the City, Contractor or its subcontractors will promptly inform the City giving the particulars of the information sought and will not disclose such information or give such testimony without the written consent of the City or court order. The obligations of Contractor and its subcontractors under this Section will survive the termination of this Agreement.
- B. Contractor agrees that the requirements of this Section will be incorporated into all subcontractor agreements entered into by the Contractor. It is further agreed that a violation of this Section will 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.

6.18. SBE / DBE Utilization

The City extends to each individual, firm, vendor, supplier, contractor and subcontractor an equal economic opportunity to compete for City business and strongly encourages voluntary utilization of small and/or disadvantaged businesses to reflect both the industry and community ethnic composition. The use of such businesses is encouraged whenever practical.

6.19. Fiscal Year Clause

The City’s fiscal year begins July 1st and ends June 30th each calendar year. The City may make payment for services rendered or costs encumbered only during a fiscal year and for a period of 60 days immediately following the close of the fiscal year, under the provisions of Arizona Revised

Statutes §42-17108. Therefore, Contractor must submit billings for services performed or costs incurred prior to the close of a fiscal year within ample time to allow payment within this 60-day period.

6.20. Final Payment

- A. **PAYMENT:** The City will make final payment for all Services performed and accepted within 60 days after Contractor has delivered to the City any final progress reports, documentation, materials and evidence of costs and disbursement as required under this Agreement. Any use by the City of preliminary reports, raw data or other incomplete material returned by Contractor will be at the City's sole risk for such use.
- B. **TEMPORARY SUSPENSION:** The City may, by written notice, direct Contractor to suspend performance on all or any part of the Services for such period of time as may be determined by the City to be necessary or desirable for its convenience. If such suspension causes additional expense to Contractor in performance, and not due to fault or negligence of Contractor, the payment will be adjusted on the basis of actual costs resulting directly from the suspension, and the period for performance of the Services will be extended by mutual agreement. Any claim by Contractor for a price adjustment must be supported by appropriate documentation asserted promptly after Contractor has been notified to suspend performance.

6.21. Professional Competency

- A. **QUALIFICATIONS:** Contractor represents that it is familiar with the nature and extent of this Agreement, the Services, and any conditions that may affect its performance under this Agreement. Contractor further represents that it is fully experienced and properly qualified, is in compliance with all applicable license requirements, and is equipped, organized, and financed to perform such Services.
- B. **LEVEL OF CARE AND SKILL:** Services provided by Contractor will be performed in a manner consistent with that level of care and skill ordinarily exercised by members of Contractor's profession currently practicing in the same industry under similar conditions. Acceptance or approval by the City of Contractor's work will in no way relieve Contractor of liability to the City for damages suffered or incurred arising from the failure of Contractor to adhere to the aforesaid standard of professional competence.

6.22. Specific Performance

Contractor agrees that in the event of a breach by Contractor of any material provision of this Agreement, the City will, upon proper action instituted by it, be entitled to a decree of specific performance thereof according to the terms of this Agreement. In the event the City will elect to treat any such breach on the part of Contractor as a discharge of the Agreement, the City may nevertheless maintain an action to recover damages arising out of such breach. This paragraph is not intended as a limitation of such other remedies as may be available to the City under law or equity.

6.23. Documentation

- A. **DISSEMINATION AND RETENTION:** There will be no dissemination or publication of any information gathered, or documents prepared in the course of the performance of the Services without the prior written consent of the City. Should the City, upon advice of counsel, deem it necessary, due to existing or anticipated litigation, to assert a legal privilege of protection and non-disclosure with regard to the subject matter of this Agreement, then, and in that event, upon written demand, Contractor will relinquish to the possession and control of the City its entire file related to this Agreement and only those portions of said file deemed by the City to be not privileged will be returned to Contractor pending the resolution of the existing or anticipated litigation.
- B. **FORMAT AND QUALITY:** All documents prepared by Contractor will be prepared in a format and at a quality approved by the City.
- C. **DOCUMENT REVIEW:** Contractor will review all documents provided by the City related to the performance of the Services and will promptly notify the City of any defects or deficiencies discovered in such review.
- D. **SUBMITTALS:** Contractor will provide timely and periodic submittals of all documents required of Contractor, including subcontracts, if any, as such become available to the City for review.

6.24. Public Records

- A. Notwithstanding any provisions of this Agreement regarding confidentiality, secrets, or protected rights, the Contractor acknowledges that all documents provided to the City may be subject to disclosure by laws related to open public records. Consequently, the Contractor understands that disclosure of some or all of the items subject to this Agreement may be required by law.
- B. In the event City receives a request for disclosure that is reasonably calculated to incorporate information that might be considered confidential by Contractor, the City agrees to provide the Contractor with notice of that request, which shall be deemed given when deposited by the City with the USPS for regular delivery to the address of the Contractor specified in their proposal. Within ten days of City notice by the City, the Contractor will inform the City in writing of any objection by the Contractor to the disclosure of the requested information. Failure by the Contractor to object timely shall be deemed to waive any objection and any remedy against the City for disclosure.
- C. In the event the Contractor objects to disclosure within the time specified, the Contractor agrees to handle all aspects related to request, including properly communicating with the requestor and timely responding with information the disclosure of which the Contractor does not object thereto. Furthermore, the Contractor agrees to indemnify and hold harmless the City from any claims, actions, lawsuits, or any other controversy or remedy, in whatever form, that arises from the failure to comply with the request for information and the laws pertaining to public records, including defending the City in any legal action

and payment of any penalties or judgments. This provision shall survive the termination of this Agreement.

6.25. Hiring of Each Other's Personnel

Without the prior written consent of the other party, each party shall not actively target for hire personnel of the other party through the term of this Agreement and for six (6) months after the expiration or termination of the last Statement of Work executed by the parties. This prohibition does not apply to or affect in any way the City's standard recruitment processes. The City will not pay a fee or owe any compensation whatsoever to the Contractor if Contractor's employee files an employment application, competes successfully and is hired into a City position. Individuals who are employed by Contractor agency and who are on assignment at the City may file an application for regular City employment and be considered on the same merits and qualifications as would all other applicants. For this reason, compensation to Contractor would not be appropriate and not incurred if such worker succeeds in the selection process and is appointed to a regular City position.

6.26. Liquidated Damages

If the Contractor fails to deliver the supplies or perform the services within the time specified in its contract, or any extension thereof, the actual damages to the City for the delay will be difficult or impossible to determine. Therefore, in lieu of actual damages, the Contractor shall pay to the City as fixed, agreed and liquidated damages for each calendar day of the delay, the amount of \$1000. The City may terminate this contract in whole or in part as provided in the "Default" provision. In that event, the Contractor shall be liable for such liquidated damages accruing until the City may reasonably obtain delivery or performance of similar supplies and services. The Contractor shall not be charged with liquidated damages when the delay arises out of causes beyond its control and without fault or negligence, as determined by the City. The Chief Procurement Officer will be the sole judge in determining the liquidated damages.

6.27. Procurement Reports

Contractor shall submit monthly reports in an electronic format acceptable to the City during the term of this contract commencing one month after the effective date. These reports are due by the 15th day of the month following the reporting period. Total purchases for each department must be shown on a separate line. Report should be rounded to the nearest dollar. Contractor will provide sample forms for approval by the City.

6.28. Communication in English

It is mandatory that the Contractor's lead person assigned to any City facility can speak, read, and write in English to effectively communicate with City staff.

6.29. Contractor Assignments

The Contractor hereby agrees that any of its employees who may be assigned to a City site to satisfy obligations under this contract shall be used exclusively for that purpose during the hours when they are working in areas covered by this contract and shall perform no work at other City facilities. If other services, in addition to or separate from, the services specified herein, may be deemed necessary by the Chief Procurement Officer or his authorized representative, the Contractor may be requested to perform the additional or special service.

6.30. Specifications

The specifications and/or drawings associated with this project are intended to generally describe a complete installation. Any additional materials or labor required for the complete project as intended shall be provided by the Contractor, even if it has not been detailed in this document.

6.31. Telephone Use

Contractor shall be allowed job-related use of City telephone service at no cost to the Contractor and as designated by the City for use. The Contractor will pay any cost to repair damage caused by Contractor to the telephone equipment over and above normal wear and tear. Toll calls are not permitted by Contractor employees.

A list of emergency telephone numbers shall be maintained at the work locations by the Contractor and will include the Police and Fire Departments.

Personal cell phone use by Contractor employees is prohibited while performing duties under this contract. Telephone calls from all types of phones are restricted to breaks and lunches. Emergency calls will be placed and received at designated City telephones only. This includes communications between Contractor Management and onsite employees.

6.32. Transition of Contract

Contractor will, without limitation, provide important information to a successor Contractor and the City to ensure continuity of service at the required level of proficiency and agrees to provide to the City all files, supplies, data, records, and any other properties or materials of the City, which the City owns or has rights to pursuant to this contract and which are in the possession of Contractor. The provisions of this section will survive the expiration or termination of this contract.

6.33. Types of Work Supervision

The Contractor shall provide onsite supervision and appropriate training to assure competent performance of the work. Contractor or authorized agent will make sufficient daily routine inspections to ensure the work is performed as required by this contract.

6.34. Background Screening

Contractor agrees that all Contractor and subcontractors' workers (collectively "Contract Worker(s)") pursuant to this Agreement will be subject to background and security checks and screening (collectively "Background Screening") at Contractor's sole cost and expense, unless otherwise provided for in the scope of work. Contractor's background screening will comply with all applicable laws, rules and regulations. Contractor further agrees that the background screening is necessary to preserve and protect the public health, safety and welfare. The City requires a completed Contract Worker Badge/Key/Intrusion Detection Responsibilities Agreement for each Contract Worker who requires a badge or key.

6.35. Background Screening Risk Level

The City has established two levels of risk: Standard and Maximum risk. If the scope of work changes, the City may amend the level of risk, which could require the Contractor to incur additional contract costs to obtain background screens or badges.

6.36. Terms of This Section Applicable to all Contractor's Contracts and Subcontracts

Contractor will include Contract Worker background screening in all contracts and subcontracts for services furnished under this agreement.

6.37. Materiality of Background Screening Requirements; Indemnity

The background screening requirements are material to City's entry into this agreement and any breach of these provisions will be deemed a material breach of this contract. In addition to the indemnity provisions set forth in this agreement, Contractor will defend, indemnify and hold harmless the City for all claims arising out of this background screening section including, but not limited to, the disqualifications of a Contract Worker by Contractor. The background screening requirements are the minimum requirements for the Agreement. The City in no way warrants that these minimum requirements are sufficient to protect Contractor from any liabilities that may arise out of the Contractor's services under this Agreement or Contractor's failure to comply with this section. Therefore, Contractor and its Contract Workers will take any reasonable, prudent and necessary measures to preserve and protect public health, safety and welfare when providing services under this Agreement.

6.38. Continuing Duty; Audit

Contractor's obligations and requirements will continue throughout the entire term of this Agreement. Contractor will maintain all records and documents related to all background screenings and the City reserves the right to audit Contractor's records.

6.39. Variances and Exemptions

Contract Workers who fall under the following areas may be considered exempt from this policy:

- Federal Homeland Defense Bureau.
- Transportation Security Administration.
- Federal Aviation Administration.
- Department of Public Safety (DPS) Administration – presenting a current Level One Department of Public Safety fingerprint card.
- Arizona or other State Bars.
- Other background checks performed within the last three to five years may be approved if they fit all required criteria herein, at the City's discretion.

6.40. Contractor's Default; Liquidated Damages; Reservation of Remedies for Material Breach

If Contractor is required to access any City facilities without an escort, City badging is required. Contractor's default under this section will include, but is not limited to, the following:

- Contract Worker gains access to a City facility(s) without the proper badge or key;
- Contract Worker uses a badge or key of another to gain access to a City facility;

- Contract Worker commences services under this agreement without the proper badge, key or background screening;
- Contract Worker or Contractor submits false information or negligently submits wrong information to the City to obtain a badge, key or applicable background screening; or
- Contractor fails to collect and timely return Contract Worker's badge or key upon termination of Contract Worker's employment, reassignment of Contract Worker to another City facility or upon the expiration, cancellation or termination of this Agreement.
- Contractor acknowledges and agrees that the access control, badge and key requirements in this section are necessary to preserve and protect the public health, safety and welfare. Accordingly, Contractor agrees to properly cure any default under this section within three business days (excluding weekends and City holidays) from the date notice of default is sent by the City. The parties agree that Contractor's failure to properly cure any default under this section will constitute a breach of this section. In addition to any other remedy available to the City at law or in equity, the Contractor will be liable for and pay to the City the sum of \$1,000.00 for each breach by Contractor in this section. The parties further agree that the sum fixed above is reasonable and approximates the actual or anticipated loss to the City at the time and making of this agreement if Contractor breaches this section. Further, the parties expressly acknowledge and agree to the fixed sum set forth above because of the difficulty of proving the City's actual damages if Contractor breaches this section. The parties further agree that three breaches by Contractor in this section arising out of any default within a consecutive period of three months or three breaches by Contractor in this section arising out of the same default within a period of 12 consecutive months will constitute a material breach of this agreement by Contractor and the City expressly reserves all of its rights, remedies and interests under this agreement, at law and in equity including, but not limited to, termination of this agreement.

6.41. Employee Identification and Access

Contract Workers are forbidden access to designated restricted areas. Access to each building will be as directed by the authorized Phoenix authorized representative. Contract Workers are not authorized access other than during scheduled hours. Access to the building will be directed by the City's authorized representative.

Only authorized Contract Workers are allowed on the premises of the City facilities/buildings. Contract Workers are not to be accompanied in the work area by acquaintances, family members, assistants or any other person unless said person is an authorized Contract Worker.

Unless otherwise provided for in the scope of work:

- Contract Workers must always have city issued badges and some form of verifiable company identification (badge, uniform, employee id).

- Contractor will supply a list of the names and titles of all employees requiring access to the buildings. It is the Contractor's responsibility to provide updates and changes of personnel as necessary.

6.42. Key Access Procedures

If the Contractor Worker's services require keyed access to enter a City facility(ies), a separate key issue/return form must be completed and submitted by the Contractor for each key issued. Contractor must submit the completed key issue/return form to the appropriate badging office.

6.43. Stolen or Lost Badges or Keys

Contractor must immediately report lost or stolen badges or keys to the City's appropriate badging office. If the badge/key was stolen, Contract Worker's must report the theft to their local police department. Prior to issuance of a new badge or key, a new badge application or key issue form must be completed, submittal of a police department report for stolen badges, and applicable payment of the fee(s) listed herein.

6.44. Return of Badge or Key

All badges and keys are the property of the City and must be returned to the City at the badging office within one business day (excluding weekends and City holidays) of when the Contract Worker's access to a City facility is no longer required to furnish the services under this agreement. Contractor will collect a Contract Worker's badge and key(s) upon the termination of the Contract Worker's employment; when the Contractor Worker's services are no longer required at a City facility(s); or upon termination, cancellation or expiration of this agreement.

6.45. Badge and Key Fees

The following constitute the badge and key fees under this agreement, which shall be paid for at the Contractor's sole cost and expense, unless otherwise provided for in the scope of work. The City reserves the right to amend these fees upon a 30-day prior written notice to Contractor.

Initial Badge Fee: \$55.00 per application

Replacement Badge Fee: \$55.00 per badge

Lost/Stolen Badge Fee: \$55.00 per badge

Replacement Key Fee: \$55.00 per key

Replacement Locks: \$55.00 per lock

6.46. Background Screening – Maximum Risk

- A. **Determined Risk Level:** The current risk level and background screening required is MAXIMUM RISK.
- B. **Maximum Risk Level:** A maximum risk background screening will be performed every **five** years when the Contract Worker's work assignment will:
 1. work directly with vulnerable adults or children, (under age 18); or

2. any responsibility for the receipt of payment of City funds or control of inventories, assets, or records that are at risk of misappropriation; or
3. unescorted access to:
 - a. City data centers, money rooms, high-value equipment rooms; or
 - b. unescorted access to private residences; or
 - c. access to critical infrastructure sites/facilities; or
 - d. direct or remote access to Criminal Justice Information Systems (CJIS) infrastructure.

C. **Requirements:** The background screening for maximum risk level will include a background check for real identity/legal name and will include felony and misdemeanor records from any county in the United States, the State of Arizona, plus any other jurisdiction where the Contractor worker has lived at any time in the preceding seven years from the Contract Worker's proposed date of hire. In addition, Maximum screening levels may require additional checks as included herein, depending on the scope of work, and may be amended if the scope of work changes.

6.47. Additional Maximum Risk Background Checks

Maximum screening will additionally require:

- Credit Check (for cash handling, accounting, and compliance positions only)
- Driving records (for driving positions only)
- Fingerprint verification (when Contract Worker is working directly with children or vulnerable adults or scope takes the individual to a City location with Criminal Justice Information System (CJIS) access.)

6.48. Maximum Risk Background Criminal Justice Information Services (CJIS) Check Must Include

- Criminal records - Conviction of a misdemeanor(s) (not including traffic or parking violation) or felony(ies).
- Sexual offender search
- All outstanding warrants
- Currently the focus of a criminal investigation
- Currently on parole or probation

6.49. Contractor Certification; City Approval of Maximum Risk Background Screening

Unless otherwise provided for in the Scope of Work, Contractor will be responsible for:

- A. determining whether Contract Worker(s) are disqualified from performing work for the City for maximum risk level background checks; and,
- B. submitting pass/fail results to the City for approval; and,
- C. reviewing the results of the background check every three to five years, dependent on scope; and,
- D. to engage in whatever due diligence is necessary to make the decision on whether to disqualify a Contract Worker; and,
- E. Submitting the list of qualified Contract Workers to the contracting department; and,
- F. If, upon review of the background information, the City will advise the Contractor if it believes a Contract Worker should be disqualified. The Contractor will evaluate the Contract Worker and if the Contractor believes that there are extenuating circumstances that suggest that the person should not be disqualified, the Contractor will discuss those circumstances with the contracting department. The contracting department decision on disqualification of a Contract Worker is final.
- G. For sole proprietors, the Contractor must comply with the background check for himself and any business partners, or members or employees who will assist on the contract and for whom the requirements of the Agreement apply.
- H. By executing this agreement, Contractor certifies and warrants that Contractor has read the background screening requirements and criteria in this section, and that all background screening information furnished to the City is accurate and current.
- I. The City final documented decision will be an “approve” or “deny” for identified Contract Workers.
- J. The City will not keep records related to background checks once they are confirmed. Information to verify the results will be returned to the Contractor, or any contracted agency that assists with review, after the City’s completed review.
- K. By executing this agreement, Contractor further certifies and warrants that Contractor has satisfied all such background screening requirements for the maximum risk background screening, and verified legal worker status, as required.
- L. Contract Workers will not apply for the appropriate City of Phoenix identification and access badge or keys until Contractor has received the City’s written acceptance of Contract Worker’s maximum risk background screening. The City may, in its sole discretion, accept or reject any or all the Contract Workers proposed by Contractor for performing work under this Agreement. A Contract Worker rejected for work at a maximum risk level under this agreement will not be proposed to perform work under other city contracts or engagements without city’s prior written approval.

- M. For any childcare or health worker positions, or Criminal Justice Information Systems access in the scope of work, Contractor is required to send the City updated background checks every three years.
- N. The Contractor will submit prior to scheduling any services, a current list of names, addresses, and social security numbers of all employees requiring access to the facility. The Contractor is responsible for obtaining security clearance from the Police Department for all employees. The City reserves the right to change the restricted areas as needed. The Contractor grants the rights to the Police Department to conduct background checks of all employees entering the building. All employees will submit to the background check before access to the facility is given.
- O. The background checks will be conducted prior to any employee entering to work and will be based upon information provided to the Police Department including, but not limited to: name, address, date and place of birth, social security number, INS number if applicable, and a copy of a valid photo identification. The information will be provided to the City's authorized Department representative at least five business days (excluding weekends and holidays) in advance of the need for access. The form will be provided by the City's authorized Department representative. The City's authorized Department representative will conduct the security check.
- P. The City may, at any time, in its sole discretion, refuse to allow an employee access to an area for any of the following reasons, but not limited to:
 - 1. Conviction of a felony.
 - 2. Conviction of a misdemeanor (not including traffic or parking violation).
 - 3. Any outstanding warrants (including traffic and parking violations).
 - 4. A person currently on parole or probation.
 - 5. A person currently involved in an investigation.

6.50. CJIS Security Addendum

This agreement incorporates by reference the requirements of the Criminal Justice Information Services (CJIS) Security Policy (current version 5.9.1, dated October 1, 2022), and as referenced in Title 28 CFR 20.33(a)(7), issued by the Federal Bureau of Investigation, Criminal Justice Information Services Division, as in force as of the date of this Agreement and as may, from time to time hereafter, be amended. Contractor warrants that it has the technological capability to handle Criminal Justice Information (CJI), as that term is defined by the FBI CJIS Security Policy, in the manner required by the CJIS Security Policy. Contractor expressly acknowledges that the CJIS Security Policy places restrictions and limitations on the access to, use of, and dissemination of CJI and hereby warrants that its system abides by those restrictions and limitations.

Private contractors are permitted access to criminal history record information systems pursuant to a specific agreement for the purpose of providing services for the administration of criminal justice pursuant to that agreement. Private contractors who perform the administration of criminal

justice shall meet the same training and certification criteria required by governmental agencies performing a similar function, and shall be subject to the same extent of audit review as are local user agencies. In accordance with the CJIS Security Addendum, a minimum of a background check (fingerprint) will be administered and required through the Arizona state and federal criminal justice system for all contracted employees who may have access to CJIS information. Background checks (fingerprints) will be performed and received with required clearance prior to receipt of any CJIS information.

6.51. Confidentiality

“Confidential Information” means all non-public, confidential, sensitive, or proprietary information disclosed or made available by City to Contractor or its affiliates, employees, contractors, partners, or agents (collectively “Recipient”), whether disclosed before or after the Effective Date, whether disclosed orally, in writing, or via permitted electronic access, and whether or not marked, designated, or otherwise identified as confidential. Confidential Information includes, but is not limited to: user contents, electronic data, meta data, employment data, network configurations, information security practices, business operations, strategic plans, financial accounts, personally identifiable information, protected health information, protected criminal justice information, and any other information that by the nature and circumstance of the disclosure should be deemed confidential. Confidential Information does not include this document or information that: (a) is now or subsequently becomes generally available to the public through no wrongful act or omission of Recipient; (b) Recipient can demonstrate by its written records to lawfully have had in its possession prior to receiving such information from the City; (c) Recipient can demonstrate by its written records to have been independently developed by Recipient without direct or indirect use of any Confidential Information; (d) Recipient lawfully obtains from a third party who has the right to transfer or disclose it; or (e) the City has approved in writing for disclosure.

Recipient shall: (a) protect and safeguard Confidential Information with at least the same degree of care as Recipient would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care, such as ensuring data is encrypted in transit and at rest and maintaining appropriate technical and organizational measures in performing the Services under the Agreement; (b) not use Confidential Information, or permit it to be accessed or used, for any purpose other than in accordance with the Agreement; (c) not use Confidential Information, or permit it to be accessed or used, in any manner that would constitute a violation of law, including without limitation export control and data privacy laws; and (d) not disclose Confidential Information except to the minimum number of recipients who have a need to know and who have been informed of and agree to abide by confidentiality obligations that are no less restrictive than the terms of this Agreement. If Recipient is required by law or court order to disclose any Confidential Information, Recipient will first give written notice to the City and provide the City with a meaningful opportunity to seek a protective order or limit disclosure.

Upon the City’s written request or expiration of this Agreement, whichever is earlier, Recipient shall, at no additional costs to the City, promptly return or destroy all Confidential Information belonging to the City that Recipient has in its possession or control. After return or destruction of the Confidential Information, Recipient shall certify in writing as to its compliance with this paragraph.

If applicable, Contractor agrees to comply with all City information technology policies and security standards, as may be updated from time to time, when accessing City networks and computerized systems whether onsite or remotely.

In addition to, and not in lieu of, all other rights and remedies available to the City, Contractor will defend, indemnify, and hold the City harmless against all losses, claims, costs, attorneys' fees, damages or proceedings arising out of Contractor's breach of this Section (Confidentiality). Contractor's obligations pursuant to this Section (Confidentiality) shall not be subject to any limits of liability or exclusions as may be stated elsewhere in the Agreement.

A violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may at the City's discretion result in immediate termination of this Agreement without notice. The obligations of Contractor under this Section shall survive the termination of this Agreement.

6.52. Data Protection

The parties agree this Section shall apply to the City's Confidential Information and all categories of legally protected personally identifiable information (collectively "PII") that Contractor processes pursuant to the Agreement. "Personally identifiable information" is defined as in the Federal Privacy Council's Glossary available at: <https://www.fpc.gov/resources/glossary/>.

As between the parties, the City is the data controller and owner of PII and Contractor is a data processor. In this Section, the term "process," "processing," or its other variants shall mean: an operation or set of operations which is performed on PII, whether or not by automated means, including without limitation: collection, recording, copying, analyzing, caching, organizing, structuring, storage, adaptation, alteration, retrieval, transmission, dissemination, alignment, combination, restriction, erasure, or destruction.

- A. When Contractor processes PII pursuant to the Agreement, Contractor shall, at no additional cost to the City:
1. process PII only within the United States and only in accordance with the Agreement and not for Contractor's own purposes, including product research, product development, marketing, or commercial data mining, even if the City's data has been aggregated, anonymized, or pseudonymized;
 2. implement and maintain appropriate technical and organizational measures to protect PII against unauthorized or unlawful processing and against accidental loss, destruction, damage, theft, alteration or disclosure, including at a minimum, and as applicable, those measures specified by the National Institute of Standards and Technology (NIST) SP800-53; A.R.S. § 18-552 (Notification of Security System Breaches); A.R.S. § 44-7601 (Discard and Disposal of Personal Identifying Information Records); Health Information Technology for Economic and Clinical Health (HITECH) Act; Payment Card Industry Data Security Standards; and good industry practice; (When considering what measures are appropriate and in line with good industry practice, Contractor shall keep abreast of current regulatory trends in data security and the state of technological development to ensure a level of security appropriate to the nature of the data to be protected and the harm that might result from such

- unauthorized or unlawful processing or accidental loss, destruction, damage, theft, alteration or disclosure. At minimum, Contractor will timely remediate any vulnerabilities found within its network that are rated medium or more critical by the Common Vulnerability Scoring System (CVSS); however, Contractor must remediate vulnerabilities that are rated critical within 14 days and vulnerabilities that are rated high within 30 days. If requested by the City, Contractor shall promptly provide a written description of the technical and organizational methods it employs for processing PII.)
3. not subcontract any processing of PII to any third party (including affiliates, group companies or sub-contractors) without the prior written consent of the City; and Contractor shall remain fully liable to the City for any processing of PII conducted by a sub-processor appointed by Contractor;
 4. as applicable, implement and maintain appropriate policies and procedures to manage payment card service providers with whom Contractor shares sensitive financial information or cardholder data; and provide the City with a Qualified Security Assessor Attestation of Compliance for Payment Card Industry Data Security Standards on an annual basis, but no later than within 30 days of attestation report completion;
 5. take reasonable steps to ensure the competence and reliability of Contractor's personnel or sub-processor who have access to the PII, including verifications and background checks appropriate to the security level required for such data access;
 6. maintain written records of all information reasonably necessary to demonstrate Contractor's compliance with this Agreement and applicable laws;
 7. allow the City or its authorized agents to conduct audit inspection during the term of the Agreement, but no more than once per year, which may include providing access to the premises, documents, resources, personnel Contractor or Contractor's sub-contractors use in connection with the Services; provided however, the City may at its sole discretion accept a qualified and industry recognized independent third-party assessment report or certification (such as SSAE 18 SOC 2 or ISO/IEC 27001) provided by Contractor at no cost to the City in lieu of the audit inspection rights of this Section;
- B. If the Contractor becomes aware of any actual or potential data breach (each an "Incident") arising from Contractor's processing obligations pursuant to the Agreement, Contractor shall notify the City at SOC@phoenix.gov without undue delay within 48 hours; and:
1. provide the City with a detailed description of the Incident, the type of data that was the subject of the Incident, and the identity of each affected person as soon as such information can be collected or otherwise becomes available;
 2. take action immediately, at Contractor's own expense, to investigate the Incident and to identify, prevent, and mitigate the effects of the Incident and to carry out any recovery or other action necessary to remedy the Incident;

3. cooperate with the City in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable laws or as otherwise required by the City; and
4. not directly contact any individuals who may be impacted by the Incident or release or publish any filing, communication, notice, press release, or report concerning the Incident without the City's prior written approval (except where required to do so by applicable laws).

In addition to, and not in lieu of, all other rights and remedies available to the City, Contractor will defend, indemnify, and hold the City harmless against all losses, claims, costs, attorneys' fees, damages or proceedings arising out of Contractor's breach of this Section (Data Protection). Contractor's obligations pursuant to this Section (Data Protection) shall not be subject to any limits of liability or exclusions as may be stated elsewhere in the Agreement.

A violation of this Section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may at the City's discretion result in immediate termination of this Agreement without notice. The obligations of Contractor under this Section shall survive the termination of this Agreement.

6.53. Security Inquiries

Contractor acknowledges that all of the employees that it provides pursuant to this Contract shall, at Contractor's expense, be subject to background and security checks and screening at the request of the City. Contractor shall perform all such security inquiries and shall make the results available to the City for all employees considered for performing work (including supervision and oversight) under this Contract. City may make further security inquiries. Whether or not further security inquiries are made by the City, City may, at its sole, absolute and unfettered discretion, accept or reject any or all of the employees proposed by the Contractor for performing work under this Contract. Employees rejected by the City for performing services under this Contract may still be engaged by Contractor for other work not involving the City. An employee rejected for work under this Contract shall not be proposed to perform work under other City contracts or engagements without the City's prior approval.

The City, in its sole discretion, reserves the right, but not the obligation to:

- require an employee/prospective employee of the Contractor to provide fingerprints and execute such other documentation as may be necessary to obtain criminal justice information pursuant to A.R.S. 41-1750 (G) (4);
- act on newly acquired information whether or not such information should have been previously discovered;
- unilaterally change its standards and criteria relative to the acceptability of Contractor's employees and/or prospective employees; and
- object, at any time and for any reason, to an employee of Contractor performing work (including supervision and oversight) under this Agreement. Contractor will bear the costs of all inquiries requested by the City.

6.54. Intellectual Property Rights

The Contractor hereby irrevocably transfers, conveys, and assigns to the City all right, title, and interest (including any and all copyrights) in any software and other technology assets created pursuant to or as a result of this Agreement (collectively, the "Work Product"). The City shall have the exclusive right to apply for or register any copyrights and other proprietary protections with respect to the Work Product. The Contractor shall execute such documents, render such assistance, and take such other action as the City may reasonably request, at the City's reasonable expense, to apply for, register, perfect, confirm, and protect the City's foregoing ownership interests and copyright and other proprietary protections. To the extent that the foregoing transfer does not provide the City with full ownership, right, title, and interest in and to the Work Product, the Contractor hereby grants the City a perpetual, irrevocable, fully paid, royalty-free, worldwide license to reproduce, create derivative works from, distribute, publicly display, publicly perform, and use the Work Product, with the right to transfer and/or sublicense each and every such right. The rights granted in this section will survive any termination or expiration of this Agreement.

7. Defense and Indemnification

7.1. Standard General Defense and Indemnification

Contractor (“Indemnitor”) must defend, indemnify, and hold harmless the City of Phoenix and its officers, officials (elected or appointed), agents, and employees (“Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses or expenses (including but not limited to court costs, attorney fees, expert fees, and costs of claim processing, investigation and litigation) of any nature or kind whatsoever (“Losses”) caused, or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Indemnitor or any of its owners, officers, directors, members, managers, agents, employees or subcontractors (“Indemnitor’s Agents”) arising out of or in connection with this Contract. This defense and indemnity obligation includes holding Indemnitee harmless for any Losses arising out of or recovered under any state’s Workers’ Compensation Law or arising out of the failure of Indemnitor or Indemnitor’s Agents to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Indemnitor’s duty to defend Indemnitee accrues immediately at the time a claim is threatened or a claim is made against Indemnitee, whichever is first. Indemnitor’s duty to defend exists regardless of whether Indemnitor is ultimately found liable. Indemnitor must indemnify Indemnitee from and against any and all Losses, except where it is proven that those Losses are solely a result of Indemnitee’s own negligent or willful acts or omissions. Indemnitor will be responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Contract, Indemnitor waives all rights of subrogation against Indemnitee for losses arising from the work performed by Indemnitor or Indemnitor’s Agents for the City of Phoenix. The obligations of Indemnitor under this provision survive the termination or expiration of this Contract.

7.2. Professional Services

Consultant (“Indemnitor”) must defend, indemnify, and hold harmless the City of Phoenix and its officers, officials (elected or appointed), agents, and employees (“Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including but not limited to court costs, attorney fees, expert fees, and costs of claim processing, investigation and litigation) of any nature or kind whatsoever (“Losses”) caused, or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of Indemnitor or any of its owners, officers, directors, members, managers, agents, employees or subcontractors (“Indemnitor’s Agents”) arising out of or in connection with this Contract. This defense and indemnity obligation includes holding Indemnitee harmless for any Losses or other amount arising out of or recovered under any state’s Workers’ Compensation Law or arising out of the failure of Indemnitor or Indemnitor’s Agents to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. Indemnitor’s duty to defend Indemnitee accrues immediately at the time a claim is threatened or a claim is made against Indemnitee, whichever is first. Indemnitor’s duty to defend exists regardless of whether Indemnitor is ultimately found liable. Indemnitor must indemnify Indemnitee from and against any and all Losses, except where it is proven that those Losses are solely as a result of Indemnitee’s own negligent or willful acts or omissions. Indemnitor will be responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Contract, Indemnitor agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to any work

performed by Indemnitor or Indemnitor's Agents for the City of Phoenix. The obligations of Indemnitor under this provision survive the termination or expiration of this Contract.

8. Insurance Requirements

8.1. Consultant's Insurance

Consultant and subconsultants must procure insurance against claims that may arise from or relate to performance of the work hereunder by Consultant and its agents, representatives, employees and subconsultants. Consultant and subconsultants must maintain that insurance until all their obligations have been discharged, including any warranty periods under this Contract.

The City in no way warrants that the limits stated in this section are sufficient to protect the Consultant from liabilities that might arise out of the performance of the work under this Contract by the Consultant, its agents, representatives, employees, or subconsultants and Consultant may purchase additional insurance as they determined necessary.

8.2. Scope and Limits of Insurance

Consultant must provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the liability limits provided that (1) the coverage is written on a "following form" basis, and (2) all terms under each line of coverage below are met.

8.3. Commercial General Liability – Occurrence Form

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

- The policy must name the City of Phoenix as an additional insured with respect to liability for bodily injury, property damage and personal and advertising injury with respect to premises, ongoing operations, products and completed operations and liability assumed under an insured contract arising out of the activities performed by, or on behalf of the Consultant related to this Contract.
- There shall be no endorsement or modification which limits the scope of coverage or the policy limits available to the City of Phoenix as an additional insured.
- City of Phoenix is an additional insured to the full limits of liability purchased by the Consultant.
- The Consultant's insurance coverage must be primary and non-contributory with respect to any insurance or self-insurance carried by the City.

8.4. Automobile Liability

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

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

- The policy must be endorsed to include the City of Phoenix as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Consultant, relating to this Contract.
- City of Phoenix is an additional insured to the full limits of liability purchased by the Consultant.
- The Consultant's insurance coverage must be primary and non-contributory with respect to any insurance or self-insurance carried by the City.

8.5. Worker's Compensation and Employers' Liability

Workers' Compensation Statutory Employers' Liability

Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- Policy must contain a waiver of subrogation against the City of Phoenix.
- This requirement does not apply when a consultant or subconsultant is exempt under A.R.S. §23-902(E), **AND** when such consultant or subconsultant executes the appropriate sole proprietor waiver form.

8.6. Professional Liability (Errors and Omissions Liability)

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

- The policy must cover liability arising from the failure to meet the professional standards required or expected in the delivery of those services as defined in the Scope of Services of this Contract.
- Consultant warrants that any retroactive date under the policy must precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended reporting period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

8.7. Notice of Cancellation

For each insurance policy required by the insurance provisions of this Contract, the Consultant must provide to the City, within 5 business days of receipt, a notice if a policy is suspended, voided or cancelled for any reason. Such notice must be mailed, emailed, or hand delivered to City of Phoenix Finance Department, Procurement Division, 251 W Washington Street, Phoenix, AZ 85003 OR procurement@phoenix.gov.

8.8. Acceptability of Insurers

Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The City in no way warrants that

the required minimum insurer rating is sufficient to protect the Consultant from potential insurer insolvency.

8.9. Verification of Coverage

Consultant must furnish the City with certificates of insurance (ACORD form or equivalent approved by the City) 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 and any required endorsements are to be received and approved by the City 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 must be sent directly to City of Phoenix Finance Department, Procurement Division, 251 W Washington Street, Phoenix, AZ 85003 OR procurement@phoenix.gov. The City project/contract number and project description must be noted on the certificate of insurance. The City reserves the right to review complete copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE CITY'S RISK MANAGEMENT DIVISION.**

8.10. Subconsultants

Consultant's certificates shall include all subconsultants as additional insureds under its policies **OR** Consultant shall be responsible for ensuring and verifying that all subconsultants have valid and collectable insurance. At any time throughout the life of the contract, the City of Phoenix reserves the right to require proof from the Consultant that its subconsultants have insurance coverage. All subconsultants providing services included under this Contract's Scope of Services are subject to the insurance coverages identified above and must include the City of Phoenix as an additional insured. In certain circumstances, the Consultant may, on behalf of its subconsultants, waive a specific type of coverage or limit of liability where appropriate to the type of work being performed under the subcontract. Consultant assumes liability for all subconsultants with respect to this Contract.

8.11. Approval

Any modification or variation from the insurance coverages and conditions in this Contract must be documented by an executed contract amendment.

9. Submittals

9.1. Copies

Please submit one electronic copy of the Submittal Section and all other required documentation. Please do not lock the electronic copy with password protection so that the City may incorporate the successful Offer into the awarded contract.

Please submit only the Submittal Section, do not submit a copy of the entire solicitation document. This Offer will remain in effect for a period of 180 calendar days from the opening date, and is irrevocable unless it is in the City's best interest to release offer(s).

9.2. Solicitation Response Check List

Use this check list as a tool to review your submission to ensure that all required documents and forms are included.

The written offer should be:

- Typewritten for ease of evaluation
- Signed by an authorized representative of the Offeror
- Submitted with contact information for the individual(s) authorized to negotiate with the City
- A. Offeror's Proposal - A detailed proposal describing the firm or individual's qualifications and experience responsive to the requirements of the solicitation and evaluation criteria.
- B. Pricing Proposal - A completed pricing proposal with all requested prices, quantities, and/or discounts completed.
- C. Submittal Forms - All submittal forms are completed and signed.
- D. Addenda - Signed copies of all published addenda.

Offers must be in possession of the Department on or prior to the exact time and date indicated in the Schedule of Events. Late offers will not be considered. Electronic submission is preferred. Due to file size limitations for electronic transmission, offers sent by email may need to be sent in parts with multiple emails. It is the responsibility of the Offeror to ensure that the offer is received timely and that there are no technical reasons for delay. Please refer to the Instructions Section for complete information regarding the submission of offers.

9.3. Additional Quantities

The City anticipates considerable activity under the resultant contract(s). However, no guarantee can be made as to actual claims adjusting, subrogation and recovery services, and appraisal services, that will be purchased under this contract. The City reserves the right to add, change or delete quantities or items as circumstances may require.

Note: Offers taking exception to this option for additional quantities clause shall indicate in their offer.