

**NOTICE OF JOINT MEETING OF THE BOARD OF DIRECTORS OF THE
TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT
AND THE BOARD OF DIRECTORS OF THE CAREFREE WATER COMPANY, INC.**

WHEN: TUESDAY, MARCH 2, 2021

WHERE: ZOOM ONLINE*

TIME: 4:30 P.M.

Pursuant to A.R.S. § 10-822, notice is hereby given of the time, place and purposes of a meeting of the Board of Directors of the Town of Carefree Utilities Community Facilities District and the Board of Directors of the Carefree Water Company, Inc., an Arizona corporation.

Members of the Board of Directors are participating by technological means or methods pursuant to A.R.S. §10-708.

CALL TO ORDER

ROLL CALL

Attendees for this meeting, in addition to Greg Crossman, General Manager of the Carefree Water Company, Gary Neiss, Carefree Town Administrator, and the UCFD Board of Directors, may include:

Tracy Gruden; Director, Water & Wastewater, Coe & Van Loo

Ken Kawamoto, Pre-Construction Manager, Achen-Gardner Construction

Michael Wright; Attorney, Sherman & Howard LLC

AGENDA

ITEM #1 Approval of the UCFD/CWC Meeting Minutes for December 1, 2020 Meeting.

ITEM #2 Approval of the UCFD Meeting Minutes for February 9, 2021 Meeting.

ITEM #3A Review, discussion and possible action to Approve Resolution 2021-02 authorizing the Chairman of the Board of Directors to enter into a Construction Manager At Risk (CMAR) Preconstruction Services Contract with Achen-Gardner Construction, LLC.

ITEM #3B Review, discussion and possible action to Approve Resolution 2021-02 authorizing the Chairman of the Board of Directors to enter into a Final Design Services Contract with Coe and Van Loo II L.L.C.

ITEM #4 Adjournment

DATED this 25th day of February, 2021.

Utilities Community Facilities District/Carefree Water Company

By: Kandace French Contreras
Kandace French Contreras, Secretary

Items may be taken out of order

*Due to the risks to public health caused by the possible spread of the COVID-19 virus at public gatherings, it has been determined that public meetings will be held indefinitely through technological means. Meetings will be also open to the public through technological means. In reliance on, and compliance with, the March 13, 2020 Opinion issued by Attorney General Mark Brnovich, the Town of Carefree Utilities Community Facilities District provides this special advance notice of the technological means through which public meetings may be accessed. While this special notice is in effect, public comment at meetings will only be accepted through written submissions, which may or may not be read aloud during meetings.

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Webinar ID: 819 8489 7799



FOR SPECIAL ACCOMMODATIONS

Please contact the Town Clerk, 8 Sundial Circle (PO Box 740), Carefree, AZ 85377; (480) 488-3686, at least three working days prior to the meeting if you require special accommodations due to a disability.

#1

**MINUTES OF JOINT MEETING OF THE BOARD OF DIRECTORS
OF THE TOWN OF CAREFREE UTILITIES COMMUNITY FACILITIES DISTRICT
AND THE BOARD OF DIRECTORS OF THE
CAREFREE WATER COMPANY, INC.**

WHEN: TUESDAY, DECEMBER 1, 2020

WHERE: ZOOM ONLINE – MEETING ID: 322 972 9660

TIME: 4:00 P.M.

Attending:
Chairman Les Peterson

Absent:
None

Board Members:

John Crane
Vince D'Aliesio
Stephen Hatcher
Michael Krahe
Cheryl Kroyer
Gene Orrico

Also Attending:

Greg Crossman, General Manager; Meghan Orem, Controller; Michael Wright, Attorney;
Kandace French, Board Secretary/Treasurer

Chairman Peterson opened the meeting of the Town Of Carefree Utilities Community Facilities District And The Board Of Directors Of The Carefree Water Company, Inc. at 4:30 p.m.

AGENDA

ITEM #1 Recognition of new Board Member, Tony Geiger.

Chairman Peterson announced the agenda item and introduced Greg Crossman, General Manager of the Carefree Water Company.

Mr. Crossman announced the outgoing member of the Board of Directors, Gene Orrico and the incoming member, Tony Geiger. He stated Mr. Geiger comes to the Board with an extensive history and knowledge of water related matters. He congratulated Mr. Geiger and all the other Board members for their successful election and two years of continued service to the Board.

ITEM #2 Approval of the June 2, 2020 UCFD/CWC meeting minutes.

Chairman Peterson announced the agenda item asked the Board Members if there were any changes or questions. There were none.

Board Member Krahe made a **motion** to approve the June 2, 2020 minutes. There was a **second** by Vice Chairman Crane. The motion **carried** unanimously.

ITEM #3 **Discussion and possible action regarding 2019-2020 Fiscal Year audit.**

Chairman Peterson announced the agenda item and re-introduced General Manager, Greg Crossman.

Mr. Crossman introduced Controller, Meghan Orem. He further explained that due to a new contract, the auditors for FY20219-2020 were Jennifer Shields, CPA and Jared Young, CPA, CGFM of the firm Heinfeld Meech. He thanked the Board for their indulgence and explained that the audit presentation was one month later than usual because he had been unavailable the month before.

Mr. Crossman described the audit process and explained the goals of the audit was to assure the UCFD's financial statements were free from material misstatements, to verify the organization was observing good accounting practices and principles, to confirm compliance with Government Accounting Standards Board requirements, to guard against fraud and misuse of funds, and to provide transparency.

Mr. Crossman further explained that he felt the UCFD came out with a very clean audit. There were no financial misstatements, the accounting practices and principles were in order, the Water Company was able to cover all its liabilities and grow its reserves, and based on the audit results, the Water Company and the UCFD were in good financial health.

He wanted to point out the debt services highlighted from the audit report including that the Water Company purchase was completed in July, 2018. Bondholder payments started in 1998 with the last payment being made in July, 2018. Therefore, the Water Company is owned free and clear by the UCFD.

As a result of paying off the bondholders, that payment amount has been directed to the Town of Carefree to begin paying the loan to the Town to begin the Water Company's Capital Improvement Program. The Town loaned approximately \$3.2 million for capital improvements and, to-date, the Water Company has paid back approximately \$1.04 million with just under \$2.18 million remaining which will be completed in 2026.

Additionally, the Water Company is paying the Town for a WIFA (Water Infrastructure Finance Authority) loan which the Town has taken out in the amount of \$240,000 per year through the end of 2027. There is a balance to-date remaining to the Town in the amount of about \$800,000. The original loan amount was \$3.3 million. The Town of Carefree was originally making larger payments to the WIFA loan so it will pay off the loan in 2024 but the Water Company will continue to pay the Town for the loan through the end of 2026 to make the Town whole.

Mr. Crossman opened the meeting to the auditors for comments and observations regarding the audit.

Auditor Jennifer Shields, of Heinfeld Meech acknowledged Greg Crossman and Meghan Orem for their hard work throughout the year as it made the audit go much more smoothly because they are very involved in the transactions. She also reiterated that it was a clean audit and no adjustments were required and there were no adverse findings. There were no difficulties in performing the audit.

Mr. Crossman thanked the auditors for their smooth process. He asked if the Board had any questions.

There were no questions by the Board.

Board Member Hatcher commented that additional figures would be needed from the upcoming Cave Creek customer acquisition to make a full financial determination.

Chairman Peterson thanked both Meghan and Greg as well as Jennifer and Jared.

Board Member Hatcher asked the auditors if they felt that the continued satisfaction of the outstanding debt service by the Water Company appeared to continue to be financially satisfied with the revenue coming in.

Ms. Shields stated that a prospectus analysis was not performed but it appeared that the Water Company was doing an excellent job of charging the rates needed to generate the appropriate revenue. There was a very low delinquency rate for customers and the Water Company did an excellent job and was financially healthy.

Chairman Peterson asked Mr. Crossman if the commercial accounts impacted by COVID were back on track and paying as agreed.

Mr. Crossman stated that the largest commercial account, CIVANA, was open, on-track and paying as agreed as were the other accounts. However, CIVANA did not have a significant impact on the Water Company revenue stream which speaks to the solidity of the company finances and rate payer base.

Board Member Hatcher asked about funding for capital improvements.

Mr. Crossman responded and explained the separate account for the larger projects.

There being no further questions, Board Member Krahe made a **motion** to accept the audit findings for the FY2019-2020 audit. There was a **second** by Vice Chairman Crane. The motion **carried** unanimously.

ITEM #4 Adjournment.

Chairman Peterson announced the agenda item and asked for a motion to adjourn.

Board Member Kroyer made a **motion** to adjourn. There was a **second** by Board Member Krahe. The motion **carried** unanimously.

The meeting adjourned at 4:53 p.m.

DATED this 2nd day of December, 2020.

UCFD/CWC

Kandace French Contreras, Secretary/Treasurer

BOARD OF DIRECTORS

Les Peterson, Chairman

Attest:

Kandace French Contreras, Secretary/Treasurer
CERTIFICATION

I certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the Carefree Water Company/Utilities Community Facilities District Board of Directors held on December 1, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Kandace French Contreras, Secretary/Treasurer

Agenda Item #2 Pending

Will be available prior to the meeting

**CAREFREE WATER COMPANY AND
CAREFREE UTILITIES COMMUNITY FACILITIES DISTRICT**

BOARD COMMUNICATION

TO: CHAIRMAN AND BOARD MEMBERS

THROUGH: GREG CROSSMAN, GENERAL MANAGER *GC*

DATE: FEBRUARY 25, 2021

SUBJECT: March 2, 2021, Board Agenda Item Nos. 3A and 3B as follows;
3A) Contract No. C2021-01 w/Achen-Gardner Construction
3B) Contract No. C2021-02 w/Coe and Van Loo Consultants

Attached for your review prior to the March 2, 2021, Board meeting are the following documents:

- 1) Resolution No. 2021-02 authorizing the Chairman to enter into the following two contracts;
- 2) Contract No. C2021-01 with Achen-Gardner Construction, LLC for Construction Manager at Risk (CMAR) Preconstruction Services in an amount not to exceed \$387,690.00.
- 3) Contract No. C2021-02 with Coe and Van Loo, L.L.C for Final Design Services in an amount not to exceed \$589,326.00.

BACKGROUND

On February 9, 2021, the Board was updated on the status of the acquisition of what is referred to as the “Carefree Service Area”, or CSA. The CSA encompasses those areas within the Town of Carefree that are provided potable water service by the Town of Cave Creek. The CSA is also commonly referred to as Neighborhoods A, B, and C (see attached Figure 1).

Although not complete, the arbitration process that was entered into with Cave Creek to determine the details associated with the acquisition of the CSA is nearing finalization. The complexity of the disconnection, reconnection, and reintegration of the two water systems requires careful planning, engineering, and construction. This led to the recommendation to utilize the Construction Manager at Risk (CMAR) process as the construction “delivery method” for implementation of the CSA acquisition.

Approval of the contracts being considered under the Board agenda items referenced above is a time-critical step that begins to build the “CMAR Team” responsible for planning, designing, and constructing the improvements to implement the CSA transition. Approval of these contracts does not commit the UCFD to funding the entirety of the acquisition cost, but it does allow the important and time-sensitive engineering activities to proceed so as to not delay the transitional process.

DETAILS

Currently, the design of the improvements necessary to transition water service within the CSA to the Carefree Water Company is at a preliminary, or 30%, level. The CMAR process builds a team responsible for moving the project to final design and construction.

The “CMAR Team” is comprised of the Owner and/or Owner’s Representative, an engineering design firm, and a construction firm that specializes in CMAR projects. The contracts under consideration complete the framework of the “CMAR Team” by hiring both a design engineer and a construction contractor. Approval of these contracts will allow time-sensitive planning and engineering work to continue to move forward while other parts of the acquisition process are being completed. Details on both contracts are as follows:

FINAL DESIGN SERVICES CONTRACT (CONTRACT NO. C2021-02)

This contract is with Coe and Van Loo Consulting Engineers (CVL) as a continuation of work that they have already completed related to the acquisition of the CSA. CVL was originally hired in 2018 under a competitive, qualifications based selection process. They completed the initial evaluation and financial assessment associated with the acquisition of the CSA, participated in arbitration, and advanced the disconnection, reconnection, and reintegration plans to the preliminary (30%) design level. This contract finalizes the design effort associated the "Carefree Water Consolidation Project". The fee associated with this final design contract is a not-to-exceed amount of \$589,326.

CONSTRUCTION MANAGER AT RISK – PRECONSTRUCTION SERVICES CONTRACT (CONTRACT NO. C2021-01)

This contract is with Achen-Gardner Construction, L.L.C., bringing the firm in as the CMAR for the "Carefree Water Consolidation Project". Achen-Gardner was selected as the CMAR via a two-step competitive, qualifications based process. The first step in the selection process was the submittal of a written Statement of Qualifications. The second step was an oral interview. Achen-Gardner has completed over 90 CMAR projects for various other communities throughout Arizona.





As the CMAR, Achen-Gardner will provide the following services for the project, focusing on these items from a construction/contractor perspective:

- Project Planning
- Project Scheduling, Sequencing, and Phasing
- Cost Estimating
- Value Engineering
- Constructability
- Procurement Timing

As the design process nears completion, Achen-Gardner will be responsible for providing to the UCFD and Water Company a Guaranteed Maximum Price (GMP) for construction of the work covered under the GMP. Because of likely phasing and sequencing considerations, up to 4 GMPs are expected on this project. All GMPs will be based on the prepared design plans and the knowledge that the CMAR has developed while assisting in the preparation of those plans.

The fee associated with Achen-Gardner's Preconstruction Services effort is a not-to-exceed amount of \$387,690, with \$144,300 of that being allowances for services such as utility potholing and pipeline geotechnical borings, which can vary depending upon information developed during the final design process.

Please contact Greg Crossman (480-488-9100; greg@carefreewaterco.com) with any questions.

-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels

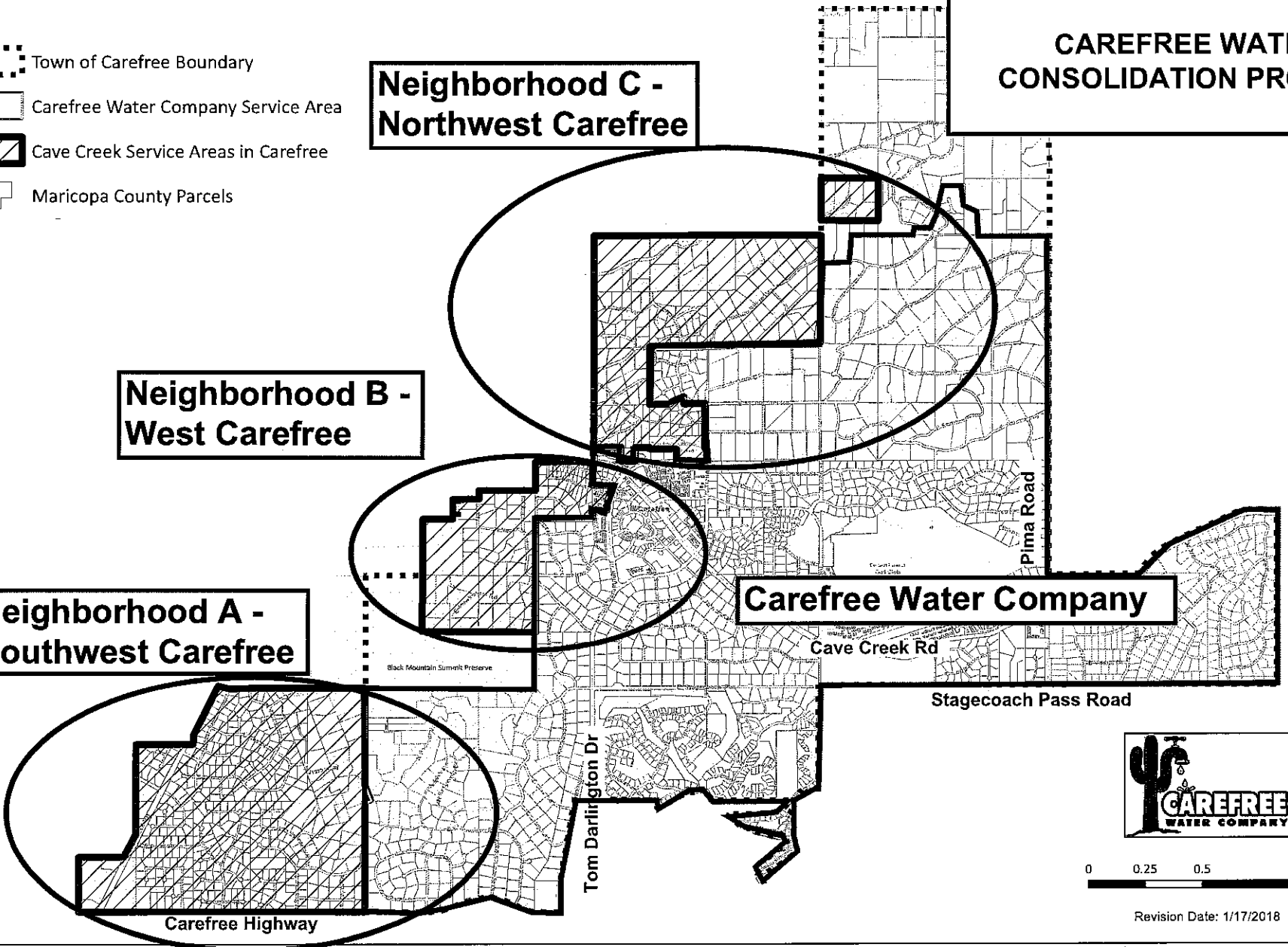
**CAREFREE WATER
CONSOLIDATION PROJECT**

**Neighborhood C -
Northwest Carefree**

**Neighborhood B -
West Carefree**

**Neighborhood A -
Southwest Carefree**

Carefree Water Company



RESOLUTION 2021-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT (UCFD), AUTHORIZING THE CHAIRMAN OF THE BOARD OF DIRECTORS TO EXECUTE; 1) CONSTRUCTION MANAGER AT RISK (CMAR) PRECONSTRUCTION SERVICES CONTRACT NO. C2021-01 WITH ACHEN-GARDNER CONSTRUCTION, LLC, AND 2) FINAL DESIGN SERVICES CONTRACT NO. C2021-02 WITH COE & VAN LOO II, L.L.C.

WHEREAS, providing adequate water service to the public is an important, proper, and necessary public purpose; and

WHEREAS, the UCFD anticipates the future acquisition of those portions of Carefree served potable water by the Town of Cave Creek, also known as the Carefree Service Area (CSA) and Neighborhoods A, B, and C; and

WHEREAS, the acquisition of the CSA requires a significant engineering and construction effort to disconnect, reconnect, and reintegrate portions of the Town of Cave Creek and Carefree Water Company potable water systems; and

WHEREAS, the disconnection, reconnection, and reintegration effort requires a team effort from a planning, engineering, construction, and operation and maintenance perspective; and

WHEREAS, the UCFD has determined that the delivery method best suited for this effort is the CMAR process; and

WHEREAS, the CMAR process requires both engineering design services and preconstruction phase contractor services;

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors of the UCFD that the Chairman of the Board is hereby authorized to execute professional services contracts facilitating the acquisition, disconnection, reconnection, and reintegration efforts associated with the Carefree Service Area and in support of the Carefree Water Consolidation Project No. 2021-W01, including; 1) Contract No. C2021-01 with Achen-Gardner, LLC for CMAR Preconstruction Services, and 2) Contract No. C2021-02 with Coe & Van Loo II, L.L.C. for Final Design Services; and further authorizing the disbursement of funds for these purposes.

PASSED AND ADOPTED BY the Board of Directors of the Town of Carefree, Arizona Utilities Community Facilities District this ___ day of _____, 2021.

AYES ___ NAYS___ ABSTENTIONS___ ABSENT___

TOWN OF CAREFREE, ARIZONA
UTILITIES COMMUNITY FACILITIES
DISTRICT

ATTESTED TO:

Les Peterson, Chairman of the
Board of Directors

Kandace French Contreras
Board Secretary/Treasurer

APPROVED AS TO FORM:

Michael W. Wright
UCFD Attorney

UCFD/CWC
MAR 02 2021
3A

**TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT
CAREFREE WATER CONSOLIDATION PROJECT**

**CONSTRUCTION MANAGER AT RISK
PRECONSTRUCTION SERVICES CONTRACT**

**PROJECT NO. 2021-W01
CONTRACT NO. C2021-01**

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TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT

**CONSTRUCTION MANAGER AT RISK
PRECONSTRUCTION CONTRACT**

**CAREFREE WATER CONSOLIDATION PROJECT
PROJECT NO. 2021-W01
CONTRACT NO. C2021-01**

THIS CONTRACT, entered into this 2nd day of March, 2021, by the Town of Carefree, Arizona Utilities Community Facilities District, a special purpose tax levying district and a municipal corporation and political subdivision of the State of Arizona, (the "UCFD") and Achen-Gardner Construction, LLC, an Arizona Limited Liability Company, (the "CONSTRUCTION MANAGER AT RISK" or "CMAR").

RECITALS

- A.** The UCFD is authorized by provisions of ARS 48-709(A)(1) to enter into contracts and expend monies for public infrastructure purposes with respect to the district.
- B.** The UCFD intends to construct the Carefree Water Consolidation Project, as described in the Scope of Work, attached as Exhibit A (the "Project"). The work is primarily located in the western portions of Carefree as shown on Figure 1 in Exhibit A.

The UCFD may expand, at its discretion, the Scope of Work to include other water system improvements funded by water revenue bond proceeds and by various other Carefree Water Company programs and budgets such as the annual Capital Improvement Program (the "CIP"), collected development or impact fees (Water Capacity Fees), and Replacement and Maintenance (R&M) budgets.

The UCFD may also expand the Scope of Work to include other infrastructure improvements funded by the Town of Carefree (the "Town") when, at the discretion of the Town and the UCFD, it is in the best interest of the Town to include such work. Town work may include drainage and flood control, roadway, and other public infrastructure improvements.

- C.** To undertake the design of the Project, the UCFD intends to enter into a Contract with Coe and Van Loo II L.L.C., who is referred to as the "Design Professional."
- D.** The UCFD desires to enter into this Contract with the CMAR for the Preconstruction phase services identified in this Contract. At the end of the preconstruction phase, at the UCFD's discretion, the UCFD may enter into a separate Construction Contract with the CMAR for construction phase services.

CONTRACT

FOR AND IN CONSIDERATION of the parties' mutual covenants and conditions, it is agreed between the UCFD and the CMAR as follows:

ARTICLE 1 - BASIC PRECONSTRUCTION PHASE SERVICES

1.0 GENERAL

- A. The CMAR, to further the interests of the UCFD, will perform the services required by, and in accordance with this Contract, to the satisfaction of the Contract Administrator, exercising the degree of care, skill and judgment a professional construction manager performing similar services in Carefree, Arizona would exercise at that time, under similar conditions. The CMAR will, at all times, perform the required services consistent with sound and generally accepted construction management and construction contracting practice. The services being provided under this Contract will not alter any real property owned by the UCFD.
- B. Initial Program Evaluation: The CMAR will provide an initial written evaluation of the UCFD's Project with recommendations as to the requirements of the Project and the Project's budget. The UCFD and the CMAR will identify an acceptable time frame by which the CMAR will provide initial program evaluation.
- C. Project Meetings: The CMAR will attend Project Team meetings which may include, but are not limited to, Project management meetings, Project workshops, special Project meetings, and Construction Documents rolling reviews.
- D. The CMAR will review and comment on the Design Professional's design phase services, in a proactive manner and consistent with the intent of the Scope of Work and the most current Drawings and Specifications. The CMAR will promptly notify the UCFD in writing whenever the CMAR discovers errors in or is unclear about any Drawings or Specifications or changes in the Scope of Work requiring an adjustment in the cost estimate, Project Schedule, Guaranteed Maximum Price (GMP) Proposals or in the Contract Time for the Work, to the extent they are established.
- E. The CMAR, when requested by the UCFD with reasonable notice, will attend, make presentations and participate as may be appropriate, in public or community meetings related to the Project. The CMAR will provide drawings, schedule diagrams, budget charts and other materials describing the Project, when their use is required or appropriate in any public agency meetings.

1.1 CONSTRUCTION MANAGEMENT PLAN

- A. The CMAR will prepare a Construction Management Plan, which includes but is not limited to the CMAR's professional opinions concerning: (1) Project milestone dates and the Project Schedule, including the broad sequencing of the design and construction of the Project, (2) plans for investigations, if any, to be undertaken to ascertain subsurface conditions and physical conditions of existing physical surface and subsurface facilities and underground utilities, (3) alternate strategies for fast-tracking or phasing the construction, (4) the number of separate subcontracts to be awarded to Subcontractors and Suppliers for the Project construction, (5) any Intergovernmental Contracts (IGA's), (6) permitting strategy, (7) safety and training programs, (8) construction quality control, (9) a commissioning program, (10) the cost estimate and basis of the model, (11) a

matrix summarizing each Project Team member's responsibilities and roles, and (12) goal compliance strategy.

Items noted above may be provided as part of separate tasks within the required Preconstruction Services covered under this Contract. The format, timing, and arrangement of deliverables shall be discussed with the UCFD as Preconstruction Services progress.

- B. The CMAR will add detail to its previous version of the Construction Management Plan to keep it current throughout the preconstruction phase, so that the Construction Management Plan is ready for implementation at the start of the construction phase. The update/revisions may take into account (a) revisions in Drawings and Specifications; (b) the results of any additional investigatory reports of subsurface conditions, drawings of physical conditions of existing surface and subsurface facilities and documents depicting underground utilities placement and physical condition, whether obtained by the UCFD, Design Professional or the CMAR, (c) unresolved permitting issues, and significant issues, if any, pertaining to the acquisition of land and right of way, (d) the fast-tracking, if any, of the construction, or other chosen construction delivery methods, (e) the requisite number of separate bidding documents to be advertised, (f) the status of the procurement of long-lead time equipment (if any) or materials, and (g) funding issues identified by the UCFD.

1.2 PROJECT SCHEDULE

- A. The fundamental purpose of the "Project Schedule" is to identify, coordinate and record the tasks and activities to be performed by all of the Project Team members and then for the Project Team to utilize that Deliverable as a basis for managing and monitoring all member's compliance with the schedule requirements of the Project. Each Project Team member is responsible for its compliance with the Project Schedule requirements. The CMAR will, however, develop and maintain the "Project Schedule" on behalf of and to be used by the Project Team based on input from the other Project Team members. The Project Schedule is subject to UCFD approval. The Project Schedule will be consistent with the most recent revised/updated Critical Path Method. The Project Schedule will use the Critical Path Method technique, unless required otherwise in writing by the UCFD. The CMAR will use scheduling software to develop the Project Schedule that is acceptable to the UCFD. The Project Schedule will be presented in graphical and tabular reports as agreed upon by the Project Team. If Project phasing as described below is required, the Project Schedule will indicate milestone dates for the phases once determined. The Project Schedule's activities will directly correlate with the Schedule of Values specified in Article 1.4(A).
- B. The CMAR will include and integrate in the Project Schedule the services and activities required of the UCFD, the Design Professional and the CMAR including all construction phase activities based on the input received from the UCFD and the Design Professional. The Project Schedule will detail activities to the extent required to show: (1) the coordination between conceptual design and various design phase documents, (2) separate long-lead procurements, if any, (3) permitting issues, (4) land and right-of-way acquisition, if any, (5) bid packaging strategy and awards to Subcontractors and Suppliers, (6) major stages of construction, (7) start-up and commissioning, and (8) UCFD's acceptance of the completed Work. The Project Schedule will include, by example and not limitation, proposed activity sequences and durations for procurement, construction and testing activities, milestone dates for actions and decisions by the Project Team, preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead time procurement (if any), milestone dates for various construction phases, total float for all activities, relationships between the

activities, the UCFD's completion requirements showing portions of the Project having completion priority, and proposed dates for Substantial Completion and when the Work would be ready for final acceptance.

- C. The Project Schedule will be updated and maintained by the CMAR throughout this Contract to assure that the schedule will not require major changes at the start of the construction phase to incorporate the CMAR's plan for the performance of the construction phase Work. The CMAR will provide updates or revisions to the Project Schedule for use by the Project Team, whenever required, but no less often than at the monthly Project Team meetings. The CMAR will include with these submittals a narrative describing its analysis of the progress achieved to-date vs. that planned, any concerns regarding delays or potential delays, and any recommendations regarding mitigating actions.
 - 1. Project Phasing: The CMAR will review the design and make recommendations for phased construction. The CMAR will review the design and make recommendations regarding the phased issuance of Construction Documents to facilitate phased construction of the Work. The CMAR will take into consideration factors such as natural and practical lines of work severability, sequencing effectiveness, access and availability constraints, total time for completion, construction market conditions, labor and materials availability, and any other pertinent factors.

1.3 GENERAL DESIGN DOCUMENT REVIEWS

- A. The CMAR will evaluate periodically the availability of labor, materials/equipment, building systems, cost-sensitive aspects of the design; and other factors that may impact the cost estimate, GMP Proposals or the Project Schedule.
- B. The CMAR will recommend, with UCFD approval, those additional surface and subsurface investigations that, in its professional opinion, are required to provide the necessary information for the CMAR to construct the Project.
- C. The CMAR will meet with the Project Team as required to review designs during their development. The CMAR will familiarize itself with the evolving documents through the preconstruction phases. The CMAR will proactively advise the Project Team and make recommendations on factors related to construction costs and concerns pertaining to the feasibility and practicality of any proposed means and methods, selected materials, equipment and building systems and labor and material availability. The CMAR will also advise the Project Team on errors and omissions it has discovered in Drawings and Specifications related to proposed Site improvements, excavation and the foundation as well as other errors and omissions the CMAR has identified with respect to coordination of the Drawings and Specifications. The CMAR will recommend cost effective alternatives.
- D. The CMAR will participate in field reviews of alignments and sites with the UCFD and Design Professionals.
- E. The CMAR will routinely conduct constructability and bidability reviews of the Drawings and Specifications as necessary to satisfy the needs of the Project Team. The reviews will identify discrepancies and inconsistencies in the Construction Documents especially those related to clarity, consistency, and coordination of the Work of Subcontractors and Suppliers as follows:

1. Constructability Reviews: The CMAR will evaluate whether: (a) the Drawings and Specifications are configured to enable efficient construction, (b) design elements are standardized, (c) construction efficiency is properly considered in the Drawings and Specifications, (d) module/preassembly design are prepared to facilitate fabrication, transport and installation, (e) the design promotes accessibility of personnel, material and equipment and facilitates construction under adverse weather conditions, (f) sequences of Work required by or inferable from the Drawings and Specifications are practicable, and (g) the design has taken into consideration, efficiency issues concerning: access and entrance to the Sites, lay down and storage of materials, staging of facilities, construction parking, and other similar pertinent issues.
 2. Bidability Reviews: The CMAR will check cross-references and complementary Drawings and sections within the Specifications, and in general evaluate whether (a) the Drawings and Specifications are sufficiently clear and detailed to minimize ambiguity and to reduce scope interpretation discrepancies, (b) named materials and equipment are commercially available and are performing well or otherwise, in similar installations, (c) specifications include alternatives in the event a requirement cannot be met in the field, and (d) in its professional opinion, the Project is likely to be subject to differing Site conditions.
 3. The results of the reviews will be provided to the UCFD in formal, written reports clearly identifying all discovered discrepancies and inconsistencies in the Drawings and Specifications with notations and recommendations made on the Drawings, Specifications and other documents. If requested by the UCFD, the CMAR will meet with the UCFD and Design Professional to discuss any of the CMAR's findings and review reports.
 4. The CMAR's reviews will be from a contractor's perspective, and though it will serve to reduce the number of Requests for Information (RFIs) and changes during the construction phase, responsibility for the Drawings and Specifications will remain with the Design Professional.
- F. Notification of Variance or Deficiency: It is the CMAR's responsibility to assist the Design Professional in ascertaining that, in the CMAR's professional opinion, the Construction Documents are in accordance with applicable laws, statutes, ordinances, building codes, rules and regulations. If the CMAR recognizes that portions of the Construction Documents are at variance with applicable laws, statutes, ordinances, building codes, rules and regulations, it will promptly notify the Design Professional and the UCFD in writing, describing the apparent variance or deficiency. However, the Design Professional is ultimately responsible for compliance with those laws, statutes, ordinances, building codes, rules and regulations.
- G. Alternate Systems Evaluations: The Project Team will routinely identify and evaluate using value engineering principles, any alternate systems, approaches, or design changes that have the potential to reduce Project costs while still delivering a quality and functional product. Throughout this Contract and upon the UCFD's instruction the CMAR will provide value engineering at various stages throughout the Project. The Project Team, with approval by the UCFD, will decide which alternatives will be incorporated into the Project. The Design Professional will have full responsibility for the incorporation of the alternatives into the Drawings and Specifications. The CMAR will include the cost of the alternatives into the cost estimate and any GMP Proposals.

1.4 COST ESTIMATES

- A. The CMAR will provide a Schedule of Values acceptable to the UCFD including a detailed cost estimate and written review of the documents within fourteen (14) days after the CMAR's receipt of the documents required for the preconstruction phase. The Design Professional and the CMAR will reconcile any disagreements on the estimate to arrive at an agreed cost. If no consensus is reached, the UCFD will make the final determination.
- B. If any estimate submitted to the UCFD exceeds previously accepted estimates or the UCFD's Project budget, the CMAR will make appropriate recommendations on methods and materials to the UCFD and the Design Professional that the CMAR believes will bring the Project back into the Project budget. Major milestones on the Project include the initial 30% estimate, and future 60%, 90%, and 100% submittals consistent with the UCFD's policies.
- C. In between these milestone estimates, the CMAR will periodically provide a tracking report, which identifies the upward or downward movements of costs due to value engineering or scope changes. It will be the responsibility of the CMAR to keep the UCFD and the Design Professional informed as to the major trend changes in costs relative to the UCFD's budget.
- D. The CMAR will prepare a preliminary "cash flow" projection based upon historical records of similar type projects to assist the UCFD in the financing process.

1.5 GUARANTEED MAXIMUM PRICE (GMP)

- A. At the end of the preconstruction phase or at a time determined by the UCFD with reasonable notice, the UCFD will request the CMAR to provide a GMP, or series of GMP's if the CMAR determines phased construction would be in the UCFD's best interest. The approved form of GMP(s) is stated in Exhibit C, attached and by reference made a part of this Contract.
 - 1. The CMAR guarantees to bring the completion of the construction of the Project within the GMP or the CMAR alone will be required to pay the difference between the actual cost and the GMP.
 - 2. Buy out savings are any savings of the CMAR's GMP at the conclusion of the selection of Subcontractors. Buy out savings may be used during construction by the UCFD as a UCFD Project Contingency. Unused savings will be returned to the UCFD.
 - 3. Any savings realized during construction may be incorporated into the construction of the Project to fund additional scope items. Unused savings will be returned to the UCFD.
- B. The Total Costs of the Work (Direct Costs), plus the CMAR Indirect Costs, plus applicable taxes, plus the UCFD's Project Contingency equals the Total GMP. The GMP is composed of the following actual costs, not-to-exceed cost reimbursable, fixed fee or lump sum amounts defined below:

1. The Total Cost of the Work (Direct Costs) is a negotiated cost and is a not-to-exceed amount defined by the individual work items and their associated negotiated unit prices as a part of the hard construction work as defined in Article 8. It includes direct labor costs, subcontract costs, costs of materials and equipment incorporated in the completed construction, costs of other materials and equipment, materials testing, and warranty of the work together with self-performed work that the CMAR established in the Sub-Contractor Selection Plan. The Cost of Work does not include the CMAR's Indirect Costs.
2. The CMAR's Indirect Costs include the General Conditions, Payment and Performance Bonds, Insurance, the CMAR Construction Fee and Taxes.
 - a. The General Conditions Costs are a negotiated amount of project supervision and other indirect costs according to construction terms as defined in Article 8. These costs are not reflected in other GMP items. Costs may include, but are not limited to, the following: Project Manager, Superintendent, Full-time General Foremen, workers not included as direct labor costs engaged in support (e.g. loading/unloading, clean-up, etc.) and administrative office personnel. Other costs may include: temporary office, building permit and licensing fees, fencing and other facilities, office supplies, office equipment, minor expenses, utilities, vehicles, fuel, sanitary facilities, and telephone services at the site.
 - b. Payment Bonds, Performance Bonds and Insurance are actual costs applied to Cost of Work and General Conditions Costs as detailed in the GMP Proposal.
 - c. The CMAR Construction Fee is a negotiated fixed fee that is proposed by the CMAR for the project as defined in Article 8. It is for management and related services of the CMAR Project.
 - d. Taxes include all sales, use, consumer, and other taxes which are legally enacted when negotiations of the GMP were concluded, whether or not yet effective or merely scheduled to go into effect. Taxes are actual costs and are a not-to-exceed reimbursable amount.

The successful CMAR must secure and maintain, during the life of the Contract, State of Arizona and Town of Carefree Transaction Privilege (sales) Tax Licenses.

To obtain a State of Arizona Privilege (Sales) Tax License Application, fill out the JT-1 Form that can be obtained at the following web address and then submitted to the Arizona Department of Revenue:

<https://azdor.gov/forms/tpt-forms/joint-tax-application-tpt-license>

or apply online at the following web address:

<https://azdor.gov/transaction-privilege-tax/tpt-license/applying-tpt-license>

The Town of Carefree imposes a 3% Transaction Privilege (Sales) Tax. These taxes are collected by the Arizona Department of Revenue. More information on Carefree's Transaction Privilege Tax can be obtained on the UCFD's website at the following address: <http://www.carefree.org/197/Privilege-Tax>

The UCFD's Project Contingency is defined in Article 8. It is to be used at the sole discretion of the UCFD to cover any increases in Project costs that result from UCFD directed changes or unforeseen Site conditions. The UCFD's Project Contingency will be added to the GMP amount provided by the CMAR, the sum of which will be the full contract price for construction. Taxes will be applied by the CMAR at the time of the UCFD's Project Contingency is an additional negotiated Construction Fee.

3. The GMP is cumulative. The amount of any GMP amendment will be negotiated separately and will reflect the CMAR's risk from that point forward in the Project.

1.6 GUARANTEED MAXIMUM PRICE (GMP) PROPOSALS

- A. The CMAR will present the proposed GMP for the entire Work (or portions of the Work) in a format acceptable to the UCFD as set forth in Exhibit C, attached, and by reference made a part of this Contract. The UCFD may request a GMP Proposal for any portion of the Project at any time with reasonable notice during the preconstruction phase. Any GMP Proposals submitted by the CMAR will be based on and be consistent with the current updated/revised cost estimate at the time of the request, the associated estimates for construction costs, and will include any clarifications or assumptions upon which the GMP Proposal(s) are based.
- B. GMP Proposals for the entire Project will be the sum of the maximum Cost of the Work, and also include the CMAR's Construction Fee, General Conditions Costs, Taxes, Insurance, Bonds, CMAR Indirect Costs, and UCFD's Project Contingency.
- C. The CMAR, in preparing any GMP Proposal, will obtain from the Design Professional, 6 sets of signed, sealed, and dated plans and specifications (including all addenda). The CMAR will prepare its GMP in accordance with the UCFD's request for GMP Proposal requirements based on the most current completed plans and specifications at that time. The CMAR will mark the face of each document of each set of plans and specifications upon which its proposed GMP is based. The CMAR will send one set of those documents to the UCFD's Contract Administrator, keep one set, and return the third set to the Design Professional.
- D. The CMAR will include an updated/revised Project Schedule with any GMP Proposal(s) that reflects the Scope of Work shown in the current set of design documents upon which the GMP Proposal(s) is based. Any Project Schedule updates/revisions will continue to comply with the requirements of Article 1.2.
- E. If the Construction Services Contract is negotiated as a not-to-exceed amount, all GMP savings resulting from a lower actual Project cost than anticipated by the CMAR will revert to the UCFD.

1.7 GUARANTEED MAXIMUM PRICE (GMP) REVIEW AND APPROVAL

- A. The CMAR will meet with the UCFD and the Design Professional to review any GMP Proposal(s) and review the written statement of its basis. In the event the UCFD or Design Professional discovers inconsistencies or inaccuracies in the information presented, the CMAR will make adjustments as necessary to the GMP Proposal, its basis, or both.

- B. Upon receipt of any GMP Proposal from the CMAR, the UCFD may submit the same documents that were used by the CMAR in developing its GMP to an independent third party or to the Design Professional for review and verification. The third party or Design Professional will develop an independent estimate of the Cost of the Work and review the Project Schedule for the associated scope of the GMP Proposals. If the CMAR GMP Proposal is greater than that of the independent third party or Design Professional's estimate, the UCFD may require the CMAR to reconfirm its GMP Proposal. The CMAR will accept the independent third party's or Design Professional's estimate for the Cost of Work as part of its GMP Proposal or present a report identifying, explaining and substantiating the differences within 7 days of the UCFD's request.
- C. If design changes are required during the review and negotiation of GMP Proposals, the UCFD will authorize and cause the Design Professional to revise the Construction Documents to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the final approved GMP Proposal. These revised Construction Documents will be furnished to the CMAR. The CMAR will promptly notify the Design Professional and the UCFD in writing if any revised Construction Documents are inconsistent with the agreed-upon assumptions and clarifications.
- D. The CMAR guarantees to complete the Project at a Cost that will not exceed the final approved GMP Proposal amount, and the CMAR assumes the responsibility for paying any difference between the actual Cost of the Work and that amount.
- E. The CMAR may then be requested to, or at its own discretion, submit a revised GMP Proposal for consideration by the UCFD. At that time the UCFD may do one of the following:
 - 1. Accept the CMAR original or revised GMP Proposal, if within the UCFD's budget, without comment.
 - 2. Accept the CMAR original or revised GMP Proposal that exceeds the UCFD's budget, and indicate in writing to the CMAR that the Project Budget has been increased to fund the differences.
 - 3. Reject the CMAR's original or revised GMP Proposal in which event, the UCFD may terminate this Contract and elect to not enter into a separate Contract with the CMAR for the construction phase associated with the Scope of Work reflected in the GMP Proposal.

1.8 SUBCONTRACTOR AND MAJOR SUPPLIER SELECTIONS

- A. The CMAR will select major Subcontractors and major Suppliers, subject to first obtaining the UCFD's approval. This may occur before or after submission of a GMP Proposal. Major Subcontractors may be selected based on qualifications or a combination of qualifications and price. Subcontractors must not be selected based on price alone. Except as noted below, the selection of major Subcontractors/Suppliers is the responsibility of the CMAR. The CMAR is solely responsible for the performance of the selected Subcontractors/Suppliers.
 - 1. The CMAR will prepare a Subcontractor/Supplier selection plan and submit the plan to the UCFD for approval or the CMAR may use the UCFD's plan as described in Article 1.8(B) and (C). This Subcontractor selection plan will identify those Subcontractor trades anticipated to be selected by qualifications only as provided in Article 1.8(B) and those Subcontractor trades anticipated to be

selected by qualifications and competitive bid as provided in Article 1.8(C). This plan will also identify those Subcontractors that will not be selected through a formalized qualifications-based selection process. The Subcontractor selection plan must be consistent with the selection requirements included in this Contract.

- B. Selection by qualifications only - The UCFD may approve the selection of a Subcontractor(s) or Suppliers(s) based only on their qualifications when the CMAR can demonstrate it is in the best interest of the Project.
1. The CMAR will apply the approved Subcontractor selection plan approved by the UCFD in the evaluation of the qualifications of a Subcontractor(s) or Supplier(s) and provide the UCFD with its review and recommendation. The selection plan will be the CMAR's own selection plan approved by the UCFD or the UCFD's selection plan as provided in this Article 1.8(B).
 2. The CMAR will negotiate costs for services/supplies from the Subcontractors/ suppliers under the approved qualifications only method.
 3. The CMAR may elect to comply with the following procedures in its selection of Subcontractor(s) or Suppliers(s) based on qualifications only:
 - a. The Request for Qualifications (RFQ) will contain the best description of the services or material desired; and
 - b. A statement that only unpriced Statements of Qualifications will be considered; and
 - c. State the requirements for the project, such as drawings and descriptive literature; and
 - d. State the criteria for evaluating the qualifications; and
 - e. A closing date and time for receipt of a Statement of Qualifications and the location where the statements should be delivered or mailed; and
 - f. A statement that discussions may be held; and
 - g. A statement that only Statements of Qualifications determined to be acceptable will be considered for award.
 4. The RFQ may be amended after the submission of the Statements of Qualifications. Any amendment will be distributed only to bidders who submitted Statements of Qualifications. Those bidders will be permitted to submit new unpriced Statements of Qualifications or to amend statements already submitted.
 5. Statements of Qualifications will not be opened publicly, but will be opened in the presence of the CMAR. The contents of unpriced Statements of Qualifications will not be disclosed to unauthorized persons.
 6. Statements of Qualifications will be evaluated solely in accordance with the criteria stated in the RFQ and will be determined to be either acceptable for further consideration or unacceptable. A determination that the statement is unacceptable will be in writing, state the basis of the determination and be retained by the CMAR. The CMAR will notify the bidder of the determination and

the bidder will not be given an opportunity to amend its Statement of Qualifications further.

7. The CMAR may conduct discussions with any bidder who submits an acceptable or potentially acceptable Statement of Qualifications. During discussions, the CMAR will not disclose any information derived from any other bidder's Statement of Qualifications.
8. The CMAR will negotiate costs for services/supplies from the Subcontractor/Supplier selected under this method. Without first giving written notice to the UCFD, no change in the recommended Subcontractors/Suppliers will be allowed.

C. Selection by qualifications and competitive bid – The CMAR will apply the UCFD's Subcontractor selection plan stated above if previously approved by the UCFD in the CMAR's evaluation of the qualifications of subcontractors/suppliers by providing the UCFD with its process to prequalify prospective subcontractors/suppliers. Selection may not be based on price alone. All Work for major Subcontractors and major Suppliers will then be competitively bid to the prequalified Subcontractors unless a Subcontractor or Supplier was selected in accordance with Article 1.8(B) above. The CMAR may elect to comply with the following procedures in step 2 of its competitive bid process.

1. The CMAR will develop Subcontractor and Supplier interest, submit the names of a minimum of 3 qualified Subcontractors or Suppliers for each trade in the Project and solicit bids for the various Work categories. If there are not 3 qualified Subcontractors/Suppliers available for a specific trade or there are extenuating circumstances, the CMAR may request approval by the UCFD to submit less than 3 names. Without first giving written notice to the UCFD, no change in the recommended Subcontractors/Suppliers will be allowed.
2. If the UCFD objects to any nominated Subcontractor/Supplier or to any self-performed Work for good reason, the CMAR will nominate a substitute Subcontractor/Supplier that is acceptable to the UCFD.
3. The CMAR will distribute Drawings and Specifications, and when appropriate, conduct a pre-bid conference with prospective Subcontractors and Suppliers. The CMAR will then review the price bids submitted by Subcontractors and Suppliers and make its' selection based on the responsive and responsible bidder with the lowest price.
4. If the CMAR desires to self-perform certain portions of the Work, it will request to be one of the approved Subcontractor bidders for those specific bid packages. The CMAR's bid will be evaluated in accordance with the process identified in the Invitation for Bids. If events warrant and the UCFD concurs that in order to insure compliance with the Project Schedule or cost, the CMAR may self-perform Work without bidding or re-bidding the Work. (For horizontal construction, as defined in A.R.S. § 34-101(15), the CMAR must self-perform not less than 45% of the Work as required by A.R.S. § 34-605(G) (2).)

D. If after receipt of sub-bids or after award of Subcontractors and Suppliers, the UCFD objects to any nominated Subcontractor/Supplier or to any self-performed Work for good reason, the CMAR will nominate a substitute Subcontractor or Supplier, preferably if this option is still available, from those who submitted Subcontractor bids for the Work affected.

1. Any higher costs due to the UCFD's rejection and substitution of a CMAR;s nominated Subcontractor/Supplier or to any self-performed Work will be reflected in the Total GMP. The CMAR's proposed GMP for the Work or portion of the Work will be correspondingly adjusted to reflect the higher costs. The UCFD at its sole discretion will either:
 - a. Correspondingly increase the CMAR's Total GMP; or
 - b. Correspondingly decrease the UCFD's Project Construction Contingency without change to the CMAR's Total GMP.
2. Any lower costs due to the UCFD's rejection and substitution of a CMAR's nominated Subcontractor/Supplier or to any self-performed Work will be added to the UCFD's Project Construction Contingency.
3. Under no circumstances will the UCFD's objection or comment on any Subcontractor or Supplier relieve the CMAR of its sole responsibility for control over the methods, means and processes by which the Work is accomplished.

1.9 APPROVED ALTERNATES

- A. Plans and specifications may contain references to equipment or materials (patented or unpatented) or "approved alternate(s)." These references will be regarded as establishing a standard of quality, finish, appearance, performance or as indicating a selection or design based upon compatibility with existing equipment, materials, or details of construction inherent to the Project design. These references will not be construed as limiting the selection to a specified item, source, or design detail. The use of an alternate or substitute item or source as an approved alternate will be permitted, subject to the provisions of this Article 1.9.
- B. A Proposal for an "approved alternate" or substitution will be evaluated by a project team under the direction of the UCFD consisting of any or all of the following; the CMAR, the design engineer, the Owners Representative, and the Contract Administrator. The UCFD may also include any other representative(s) that the UCFD deems necessary. The project team will evaluate the information submitted, perform tests when necessary, and make comparisons in order to approve or reject the Proposal. If rejected, the CMAR will give notice of rejection to the Bidder submitting the Proposal.
- C. The CMAR, if the Proposal is accepted, will issue a written addendum to the Invitation for Bid specifying the approved alternates and distribute the modification in the same manner as the original bidding documents.
- D. The Specifications may reference equipment or materials "or alternate". The reference to "or alternate" will be construed to mean "or approved alternate" in every instance. Use of an alternate or substitute item will be allowed only if approval was received as outlined in this Article.
- E. Construction Document references to equipment, materials, patented processes by manufacturer, trade name, make, or catalog number may be permitted, unless indicated that no substitutes or alternates may be permitted, subject to the following:

1. The CMAR will certify that the substitution will perform the functions and achieve the results called for by the general design, be similar and of equal substance, and be suited to the same use as that specified.
2. The submittal will state any required changes in the Construction Documents to adapt the design to the proposed substitution.
3. The submittal will contain an itemized estimate of all costs and credits that will result directly or indirectly from the acceptance of the substitution including cost of design, license fees, royalties, and testing. The submittal will also include any adjustment in the Contract Time created by the substitution. Substitutions will only be considered if they do not extend Contract Time.

ARTICLE 2 - PERIOD OF SERVICES

- 2.0** The CMAR will perform preconstruction and design phase services in this Contract in accordance with the terms and conditions of Article 1 and the most current update/revised Project Schedule. Generally, preconstruction and design phase services are anticipated to be completed within 1 year (365 days) of the date of this Contract. Failure on the part of the CMAR to adhere to the Project Schedule requirements for activities for which it is responsible will be sufficient grounds for termination of this Contract by the UCFD.
- 2.1** If the date of performance of any obligation or the last day of any time period provided for falls on a Saturday, Sunday, or holiday for the UCFD, then the obligation will be due and owing, and the time period will expire, on the first day next which is not a Saturday, Sunday or legal UCFD holiday. Unless an exception is provided in this Contract, any performance required will be timely made if completed no later than 5:00 p.m. (Local time) on the day of performance.

ARTICLE 3 - CONTRACT AMOUNT AND PAYMENTS

3.0 CONTRACT AMOUNT

Based on the preconstruction phase services fee proposal submitted by the CMAR and accepted by the UCFD (which by reference is made a part of this Contract); the UCFD will pay the CMAR a total fee not to exceed \$ 387,690.00 detailed as follows:

For the basic services described in Article 1, the CMAR will receive a fee not to exceed:	\$243,390.00
<u>Additional services and allowances:</u>	\$144,300.00
Total Contract Amount, not to exceed:	\$387,690.00

3.1 PAYMENTS

- A. Requests for monthly payments by the CMAR will be submitted to the Contract Administrator on the UCFD's "Payment Request" form and will be accompanied by a progress report, detailed invoices, and receipts, if applicable. Any requests for payment will include, as a minimum, a narrative description of the tasks accomplished during the billing period, a listing of any Deliverables submitted, and copies of any Subcontractors' requests for payment, plus similar narratives and listings of Deliverables associated with their Work. Payment for services negotiated as a lump sum will be made in accordance

with the percentage of Work completed during the preceding month. Services negotiated as a not-to-exceed fee will be paid in accordance with the work effort expended on that service during the preceding month.

- B. The CMAR agrees that no charges or claims for costs or damages of any type will be made by it for any delays or hindrances beyond the reasonable control of the UCFD during the progress of any portion of the services specified in this Contract. Any delays or hindrances will be solely compensated for by an extension of time for a reasonable period as may be mutually agreed between the parties. It is agreed, however, that permitting the CMAR to proceed to complete any services, in whole or in part, after the date to which the time of completion may have been extended, will in no way act as a waiver on the part of the UCFD of any of its legal rights.
- C. If any service(s) executed by the CMAR is abandoned or suspended in whole or in part, for a period of more than 180 days through no fault of the CMAR, the CMAR is to be paid for the services performed before the abandonment or suspension. If the UCFD suspends the Work for 181 consecutive days or more, the suspension will be a Contract termination for convenience.

ARTICLE 4 - UCFD'S RESPONSIBILITIES

4.0 The UCFD, at no cost to the CMAR, will furnish the following information:

- A. One copy of data the UCFD determines is pertinent to the Work. However, the CMAR will be responsible for searching the records and requesting information it considers reasonably required for the Project.
- B. All available data and information pertaining to relevant policies, standards, criteria, studies, etc.
- C. The name of the UCFD employee or UCFD's representative who will serve as the Contract Administrator during the term of this Contract if different than stated in Article 5.12(A). The Contract Administrator has the authority to administer this Contract and will monitor the CMAR's compliance with all terms and conditions stated in this Contract. All requests for information from or decisions by the UCFD on any aspect of the Work or Deliverables will be directed to the Contract Administrator. The Contract Administrator will provide the CMAR with prompt notice if the Contract Administrator observes any failure on the part of the CMAR to fulfill its contractual obligations, including any default or defect in the Project or non-compliance with the drawings or specifications. The Contract Administrator has the authority to authorize Change Orders up to the limits permitted by the UCFD's Procurement Code.

4.1 The UCFD additionally will:

- A. Contract separately with one or more design professionals to provide Design Professional or engineering design services for the Project. The scope of services for the Design Professional will be provided to the CMAR for its information. The CMAR will have no right to limit or restrict any changes of these services that are otherwise mutually acceptable to the UCFD and the Design Professional.
- B. Supply, without charge, all necessary copies of programs, reports, drawings, and specifications reasonably required by the CMAR except for those copies whose cost has been reimbursed by the UCFD.

- C. Provide the CMAR with adequate information in its possession or control regarding the UCFD's requirements for the Project.
- D. Give prompt written notice to the CMAR when the UCFD becomes aware of any default or defect in the Project or non-conformance with the Drawings and Specifications.
- E. Notify the CMAR of changes affecting the budget allocations.

4.2 The UCFD's Contract Administrator will have authority to approve the Project Budget and Project Schedule, and render decisions and furnish information the Contract Administrator considers appropriate to the CMAR.

ARTICLE 5 - CONTRACT CONDITIONS

5.0 PROJECT DOCUMENTS AND COPYRIGHTS

- A. UCFD Ownership of Project Documents: All work products (electronically or manually generated) including but not limited to: cost estimates, studies, design analyses, original Mylar drawings, Computer Aided Drafting and Design (CADD) file diskettes, and other related documents which are prepared in the performance of this Contract (collectively referred to as Project Documents) are to be and remain the property of the UCFD and are to be delivered to the Contract Administrator before the final payment is made to the CMAR; provided, however, the CMAR is entitled to retain one record copy of all documents. But in the event these Project Documents are altered, modified or adapted without the written consent of the CMAR, which consent the CMAR will not unreasonably withhold, the UCFD agrees to hold the CMAR harmless to the extent permitted by law, from the legal liability arising out of or resulting from the UCFD's alteration, modification or adaptation of the Project Documents.
- B. CMAR to Retain Copyrights: The copyrights, patents, trade secrets or other intellectual property rights associated with the ideas, concepts, techniques, inventions, processes or works of authorship pre-existing to this Contract or developed or created by the CMAR, its Subcontractors or personnel, during the course of performing this Contract or arising out of the Project will belong to the CMAR.
- C. License to UCFD for Reasonable Use: The CMAR grants, and will require its Subcontractors to grant a license to the UCFD, and its agents, employees, and representatives for an indefinite period of time to reasonably use, make copies, and distribute as appropriate the Project Documents, works or Deliverables developed or created for the Project and this Contract. This license will also include the making of derivative works, subject to the hold harmless provisions described above. In the event that the derivative works require the UCFD to alter or modify the Project Documents, then Article 6.1(A) applies.
- D. Documents to Bear Seal: When applicable and required by state law, the CMAR and its Subcontractors will endorse, by an Arizona professional seal, all plans, works, and Deliverables prepared by them for this Contract, if any. If professional seals are required on any document, the cost associated with providing that seal can be captured and funded in the construction GMP.

5.1 COMPLETENESS AND ACCURACY OF CMAR'S WORK

The CMAR will be responsible for the completeness and accuracy of its reviews, reports, supporting data, and all other preconstruction phase Deliverables prepared or compiled in accordance with its obligations under this Contract and will at its sole expense correct its Work or Deliverables. The fact that the UCFD has accepted or approved the CMAR's Work or Deliverables will in no way relieve the CMAR of any of its responsibilities under this Contract, nor does this requirement to correct the Work or Deliverable constitute a waiver of any claims or damages otherwise available by law or Contract to the UCFD.

5.2 ALTERATION IN CHARACTER OF WORK

- A. In the event an alteration or modification in the character of the Work or Deliverable results in a substantial change in this Contract, materially increasing or decreasing the scope of services, cost of performance, or Project Schedule, the Work or Deliverable will be performed as directed by the UCFD. But before any altered or modified Work begins, a Change Order or Amendment will be approved and executed by the UCFD and the CMAR. This Change Order or Amendment will not be effective until approved by the UCFD. The Contract Administrator has the authority to authorize Change Orders up to the limits permitted by the Procurement Code.
- B. Additions to, modifications of, or deletions from the Project provided in this Contract may be made, and the compensation to be paid to the CMAR may accordingly be adjusted by mutual agreement of the contracting parties.
- C. No claim for extra Work done or materials furnished by the CMAR will be allowed by the UCFD except as provided in this Contract, nor will the CMAR do any Work or furnish any material(s) not covered by this Contract unless the Work or material is first authorized in writing. Work or material(s) furnished by the CMAR without first obtaining written authorization will be at the CMAR's sole responsibility, cost, and expense, and the CMAR agrees that without first obtaining written authorization, no claim for compensation for the Work or materials furnished will be made.

5.3 DATA CONFIDENTIALITY

- A. As used in the Contract, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by or obtained by the CMAR or others in the performance of this Contract.
- B. The parties agree that all data, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the CMAR in connection with the CMAR's performance of this Contract are confidential and proprietary information belonging to the UCFD.
- C. Except for Subcontractors, Material and Equipment Suppliers, Consultants or other like parties necessary to complete the Work or as required by the UCFD,

the CMAR will not divulge data to any third party without first obtaining the written consent of the UCFD. The CMAR will not use the data for any purposes except to perform the services required under this Contract. These prohibitions will not apply to the following data:

1. Data which is or becomes publicly available other than as a result of a violation of this Contract;
 2. Data which was in the CMAR's possession legally and without restriction before its performance under this Contract;
 3. Data which was acquired by the CMAR in its performance under this Contract and which was disclosed to the CMAR by a third party, who to the best of the CMAR's knowledge and belief, had the legal right to make the disclosure and the CMAR is not otherwise required to hold the data in confidence; or
 4. Data which is required to be disclosed by the CMAR by virtue of law, regulation, or court.
- D. In the event the CMAR is required or requested to disclose data to a third party, or any other information to which the CMAR became privy as a result of any other Contract with the UCFD, the CMAR will first notify the UCFD, as provided in this Article, of the request or demand for the data. The CMAR will timely give the UCFD sufficient facts, so that the UCFD can have a meaningful opportunity to either give its consent or take any action that the UCFD may consider appropriate to protect the data or other information from disclosure.
- E. The CMAR, unless prohibited by law, will promptly deliver, as stated in this Article, a copy of all data in its possession and control to the UCFD within ten (10) calendar days after completion of services. All data will continue to be subject to the confidentiality provisions of this Contract.
- F. The CMAR assumes all liability for maintaining the confidentiality of the data in its possession and agrees to compensate the UCFD if any of the provisions of this Article are violated by the CMAR, its employees, agents or Subconsultants. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Article will be considered to cause irreparable harm that justifies injunctive relief in court.

5.4 PROJECT STAFFING

- A. Before the start of any Work or Deliverable under this Contract, the CMAR will submit to the UCFD an organization chart for the CMAR staff and Subcontractors and detailed resumes of key personnel listed in its response to the UCFD's Request for Qualifications or subsequent fee proposals (or any revisions), who will be involved in performing the services described in this Contract. Unless otherwise informed, the UCFD acknowledges its acceptance of personnel to perform these services under this Contract. In the event the CMAR desires to change any key personnel from performing the services under this Contract, the

CMAR will first submit the qualifications of the proposed substituted personnel to the UCFD for approval. Key personnel will include, but are not limited to, principal-in-charge, contract administrator, superintendent, project director, or those persons specifically identified to perform services of cost estimating, scheduling, value engineering, and procurement planning. The UCFD will approve all key personnel, and approval shall not be unreasonably withheld.

- B. The CMAR will maintain an adequate number of competent and qualified persons, as determined by the UCFD, to ensure acceptable and timely completion of the scope of services described in this Contract throughout the period of those services. If the UCFD objects, with reasonable cause, to any of the CMAR's staff, the CMAR will take prompt corrective action acceptable to the UCFD and, if required, remove the personnel from the Project and replace or add with new personnel acceptable to the UCFD.

5.5 INDEPENDENT CONTRACTOR

The CMAR is and will be an independent contractor and not an employee or agent of the UCFD and whatever measure of control the UCFD exercises over the Work or Deliverable will be as to the results of the Work only. No provision in this Contract will give or be construed to give the UCFD the right to direct the CMAR as to the details of accomplishing the Work or Deliverable. CMAR's performance of the Work of this Contract will be in accordance with all applicable laws and ordinances.

5.6 TERMINATION AND CANCELLATION

- A. The UCFD has the right to terminate or cancel this Contract or abandon any portion of the Project for which services have not been performed by the CMAR.
- B. Termination for Convenience: The UCFD reserves the right to terminate this Contract or any part of it for its sole convenience with 30 days written notice. In the event of termination, the CMAR will immediately stop all Work, and will immediately cause any of its Suppliers and Subcontractors to cease Work. Upon termination, the CMAR will deliver to the UCFD all drawings, special provisions, field survey notes, reports, and estimates, entirely or partially completed, in any format, including but not limited to written or electronic media, and other Work and Deliverables entirely or partially completed, together with all unused materials supplied by the UCFD. The CMAR will appraise the Work completed and submit an appraisal to the UCFD for evaluation. The UCFD will have the right to inspect the CMAR's Work or Deliverables to appraise the Work completed. As compensation in full for services performed to the date of the termination, the CMAR will receive its fee for the percentage of services actually completed. This fee will be in the amount to be mutually agreed upon by the CMAR and the UCFD, based on the agreed Scope of Work. If there is no mutual agreement, the Contract Administrator will determine the percentage of completion of each task detailed in the Scope of Work and the CMAR's compensation will be based upon this determination. The UCFD will make this final payment within 60 days after the CMAR has delivered the last of the partially completed items. The CMAR will not be paid for any Work done after receipt of the notice of termination, nor for any costs incurred by the CMAR's Suppliers or Subcontractors, which the CMAR could reasonably have avoided.

Cancellation for Cause: The UCFD may also cancel this Contract or any part of it by first giving 7 days written notice for cause in the event of any default by the CMAR, or if the CMAR fails to comply with any of the terms and conditions of this Contract. Unsatisfactory performance despite a reasonable opportunity to cure, as judged by the Contract Administrator, and failure to provide the UCFD, upon request, with adequate assurances of future performance will all be causes allowing the UCFD to cancel this Contract for cause. In the event of cancellation for cause, the CMAR will be entitled to amounts due and owing under this Contract for Work performed, but will also be liable to the UCFD for any and all damages available under this Contract sustained by reason of the default, which gave rise to the cancellation.

In the event the CMAR is in violation of any applicable Federal, State, County or UCFD law, regulation or ordinance, the UCFD may cancel this Contract immediately upon giving notice and an opportunity to cure to the CMAR.

In the event the UCFD cancels this Contract or any part of the services contracted for, the UCFD will notify the CMAR in writing, and immediately upon receiving this notice, the CMAR will discontinue advancing the Work under this Contract and proceed to close all operations, and the expenditure, if any, of costs resulting from the abandonment or cancellation. Upon termination, or cancellation or abandonment, and with the exception of one record copy the CMAR may retain, the CMAR will deliver to the UCFD all drawings, special provisions, field survey notes, reports, and estimates, entirely or partially completed, in any format, including but not limited to written or electronic media, together with all unused materials supplied by the UCFD. Use of incomplete data will be at the UCFD's sole responsibility. If through any cause, the CMAR fails to fulfill in a timely and proper manner its obligations under this Contract, or if the CMAR violates any of the covenants, Contracts, or stipulations of this Contract, the UCFD may withhold any payments to the CMAR for the purpose of setoff until the exact amount of damages due the UCFD from the CMAR is determined by the parties or by a court of competent jurisdiction.

- C. The UCFD and the CMAR agree to the full performance of the covenants contained in this Contract, except that the UCFD reserves the right, at its discretion and without cause, to terminate or abandon any or all services provided for in this Contract, or abandon any portion of the Project for which services have been performed by the CMAR.
- D. The CMAR, upon termination, cancellation, or abandonment, will promptly deliver to the UCFD all reports, estimates and other Work or Deliverables entirely or partially completed, together with all unused materials supplied by the UCFD.
- E. The CMAR will appraise the Work completed and submit an appraisal to the UCFD for evaluation. The UCFD will have the right to inspect the CMAR's Work or Deliverables to appraise the Work completed.
- F. The CMAR will receive compensation in full for services satisfactorily performed to the date of termination or cancellation. The fee will be paid in accordance with Article 3.1 of this Contract, and will be an amount mutually agreed upon by the

CMAR and the UCFD. If there is no mutual agreement, the final determination will be made in accordance with Article 5.8, "Dispute Resolution". However, in no event will the fee exceed that stated in Article 3 or as amended in accordance with Article 5.2, "Alteration in Character of Work". The UCFD will make the final payment within 60 Days after the CMAR has delivered the last of the partially or otherwise completed work items and the final fee has been agreed upon.

- G. If the UCFD improperly cancels this Contract for cause, the cancellation for cause will be converted to a termination for convenience in accordance with the provisions of Article 5.6 (B).

5.7 FUNDS APPROPRIATION

If the UCFD Council does not appropriate funds to continue this Contract and pay for Contract charges, the UCFD may terminate this Contract at the end of the current fiscal period. The UCFD agrees to give written notice to the CMAR at least 30 days before the end of its current fiscal period and will pay the CMAR for all approved charges incurred through the end of the period.

5.8 DISPUTE RESOLUTION

All disputes and controversies of every kind and nature between the parties hereto arising out of or in connection with this Contract as to the existence, construction, validity, interpretation or meaning, performance, non-performance, enforcement, operation, breach, continuance, or termination thereof shall, if the dispute or controversy cannot be settled through negotiation, be submitted to binding private arbitration. Any settlement agreement signed by the parties pursuant to the arbitration shall be binding. The prevailing party in the arbitration shall be entitled to receive from the other party reasonable attorneys' fees and reasonable expenses as determined by the arbitrator.

5.9 WITHHOLDING PAYMENT

The UCFD, in compliance with Title 34 of the Arizona Revised Statutes, reserves the right to withhold funds from the UCFD's progress payments up to the amount equal to the claims the UCFD may have against the CMAR, until such time as a settlement on those claims has been reached.

5.10 RECORDS/AUDIT

- A. Records of the CMAR's direct personnel payroll, reimbursable expenses related to this Project and records of accounts between the UCFD and the CMAR will be kept on a generally recognized accounting basis. The UCFD, its authorized representative, or the appropriate federal agency, reserve the right to audit the CMAR's records to verify the accuracy and appropriateness of all pricing data, including data used to negotiate this Contract and any Change Orders. The UCFD reserves the right to decrease the Contract Amount or payments made on this Contract if, upon audit of the CMAR's records, the audit discloses the CMAR has provided false, misleading, or inaccurate cost and pricing data. If an audit in accordance with this Article, discloses overcharges, of any nature, by the CMAR to the UCFD in excess of 1% of the total contract billings, the actual cost of the UCFD's audit will be reimbursed to the UCFD by the CMAR. Any adjustments or

payments which must be made as a result of any audit or inspection of the CMAR's invoices or records will be made within a reasonable amount of time (not to exceed 90 days) from presentation of the UCFD's findings to the CMAR.

- B. The CMAR will include a provision similar to this Article 5.11 in all of its Contracts with Subconsultants, Subcontractors, and Suppliers providing services under this Contract to ensure the UCFD, its authorized representative, or the appropriate federal agency, has access to the Subconsultants', Subcontractors', and Suppliers' records to verify the accuracy of cost and pricing data. The UCFD reserves the right to decrease the Contract Amount or payments made on this Contract if the above provision is not included in Subconsultant, Subcontractor, and Supplier contracts and one or more of those parties do not allow the UCFD to audit their records to verify the accuracy and appropriateness of pricing data.
- C. This audit provision includes the right to inspect personnel records as required by Article 7.

5.11 INDEMNIFICATION

To the fullest extent permitted by law, the CMAR, its successors, assigns and guarantors, up the assertion of a claim, will defend, indemnify and hold harmless the UCFD, the Carefree Water Company, and the Town of Carefree, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, investigation and litigation, for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, related to, arising from or out of, or resulting from any negligence, recklessness, or intentional wrongful conduct to the extent caused by the CMAR or any of its owners, officers, directors, agents, employees performing work or services under this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages by any of the CMAR employees. This indemnity includes any claim or amount arising out of, or recovered under, the Worker's Compensation Law or arising out of the failure of the CMAR to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the UCFD shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the UCFD, be indemnified by the CMAR from and against any and all claims. It is agreed that the CMAR will be responsible for primary investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the CMAR agrees to waive all rights of subrogation against the UCFD, its officers, agents, and employees for losses arising from the work performed by the CMAR for the UCFD.

Insurance provisions stated in this Contract are separate and independent from the indemnity provisions of this paragraph and will not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this Article will not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

5.12 NOTICES

- A. Unless otherwise provided in this Contract, demands under this Contract will be in writing and will be considered to have been properly given and received either (1) on the date of service if personally served on the party to whom notice is to be given, or (2) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

To UCFD:	Greg Crossman, P.E., General Manager and Contract Administrator Carefree Water Company P.O. Box 702, 7181 Ed Everett Way Carefree, Arizona 85377
To CMAR:	Daniel J. Spitz, P.E., Vice President Achen-Gardner Construction, LLC 550 South 79 th Street Chandler, AZ 85266
To Design Professional:	Ryan Weed, P.E., President Coe and Van Loo II, L.L.C. 4550 N. 12 th Street Phoenix, AZ 85014
Copy to:	Gary Neiss, Town Administrator Town of Carefree, Arizona P.O. Box 740, 8 Sundial Circle Carefree, Arizona 85377

Notice by facsimile or electronic (e-mail) will not be considered adequate notice as required in this Contract.

5.13 INTELLECTUAL PROPERTY

1. The CMAR will pay all royalties and license fees associated with its performance of services under this Contract.
2. The CMAR will defend any action or proceeding brought against the UCFD based on any claim that the Work, or any part of it, or the operation or use of the Work or any part of it, constitutes infringement of any United States patent or copyright, issued now or at some later date. The UCFD will give prompt written notice to the CMAR of any action or proceeding and will reasonably provide authority, information and assistance in the defense of the action. The CMAR will defend, indemnify and hold harmless the UCFD from and against all damages, expenses, losses, royalties, profits and costs, including but not limited to attorneys' fees and expenses awarded against the UCFD or the CMAR in any action or proceeding. The CMAR agrees to keep the UCFD informed of all developments in the defense of the actions. The UCFD may be represented by, and actively participate through its own counsel in any suit or proceedings if it so desires.
3. If the UCFD is enjoined from the operation or use of the Work, or any part of the Work, as the result of any patent or copyright suit, claim, or

proceeding, the CMAR will at its sole expense take reasonable steps to procure the right to operate or use the Work. If the CMAR cannot procure this right within a reasonable time, the CMAR will promptly, at the CMAR's option and at the CMAR's expense, (a) modify the Work so as to avoid infringement of any patent or copyright or (b) replace the Work with Work that does not infringe or violate any patent or copyright.

4. Articles 5.13 (2) and 5.13 (3) above will not be applicable to the extent any suit, claim or proceeding based on infringement or violation of a patent or copyright (a) relating solely to a particular process or product of a particular manufacturer specified by the UCFD and not offered or recommended by the CMAR to the UCFD or (b) arising from modifications to the Work by the UCFD or its agents after acceptance of the Work, or (c) relating to the copyrights of any specification, drawing, or any Design documents provided by the UCFD, the Design Professional, any Consultant retained by the UCFD, or by a Subcontractor or Supplier.
5. The obligations stated in this Article 5.13 will constitute the sole Contract between the parties relating to liability for infringement or violation of any patent or copyright.

5.14 CONFLICT OF INTEREST

- A. To evaluate and avoid potential conflicts of interest, the CMAR will provide written notice to the UCFD, as stated in this Article, of any Work or services performed by the CMAR for third parties that may involve or be associated with any real property or personal property owned or leased by the UCFD. This notice will be given 7 business days before the start of the Project by the CMAR for a third party or 7 business days before an adverse action as defined below. Written notice and disclosure will be sent to the Contract Administrator identified in Article 5.14(A).
- B. Actions that are considered to be adverse to the UCFD under this Contract include but are not limited to:
 1. Using data as defined in this Contract acquired in connection with this Contract to assist a third party in pursuing administrative or judicial action against the UCFD;
 2. Testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the UCFD; and
 3. Using data to produce income for the CMAR or its employees independently of performing the services under this Contract, without first obtaining the written consent of the UCFD.
- C. The CMAR represents that except for those persons, entities and projects identified to the UCFD, the services to be performed by the CMAR under this Contract are not expected to create an interest with any person, entity or third party project that is or may be adverse to the interests of the UCFD.

- D. The CMAR's failure to provide a written notice and disclosure of the information as stated in this Article on Conflicts of Interest will constitute a material breach of this Contract.

5.15 CONTRACTOR'S LICENSE

Before any award of this Contract, the CMAR must provide to the UCFD its Contractor's License Classification and number and its Federal Tax I.D. number and Federal W-9 Form.

5.16 SUCCESSORS AND ASSIGNS

This Contract will extend to and be binding upon the CMAR, its successors and assigns, including any individual, company, partnership, or other entity with or into which the CMAR will merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which the CMAR will sell its assets. No right covered by this Contract will be assigned in whole or in part without first obtaining the written consent of the UCFD. In no event will any contractual relationship be created or be construed to be created as between any third party and the UCFD.

5.17 FORCE MAJEURE

Neither party will be responsible for delays or failures in performance resulting from acts beyond their control. These acts include, but are not limited to, acts of God, riots, acts of war, epidemics, labor disputes not arising out of the actions of the CMAR, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

5.18 TAXES AND INDEMNIFICATION

The fee listed in this Contract includes any and all taxes applicable to the activities under this Contract. The UCFD will have no obligation to pay additional amounts for taxes of any type. CMAR and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the CMAR, except as may be otherwise provided in this Contract. The CMAR shall, and require all subcontractors to hold the UCFD 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.

5.19 NON-WAIVER PROVISION

The failure of either party to enforce any of the provisions of this Contract or to require performance by the other party of any of the provisions of this Contract will not be construed to be a waiver of these provisions, nor will it affect the validity of this Contract or any part of it, or the right of either party to enforce each and every provision.

5.20 JURISDICTION

This Contract will be considered to be made under, and will be construed in accordance with and governed by the laws of the State of Arizona, without regard to the conflicts or

choice of law provisions. An action to enforce any provision of this Contract or to obtain any remedy will be brought in the Superior Court, Maricopa County, Arizona. Such action must be filed, tried and remain in this Court for any and all proceedings. For this purpose, each party expressly and irrevocably consents to the jurisdiction and venue of that Court, and the CMAR hereby waives the right to have such action removed to Federal District Court.

5.21 SURVIVAL

All warranties, representations and indemnifications by the CMAR will survive the completion or termination of this Contract.

5.22 MODIFICATION

Any amendment, modification, or variation from the terms of this Contract will be in writing and will be effective only after approval of all parties signing the original Contract.

5.23 SEVERABILITY

If any term or provision of this Contract is found to be illegal or unenforceable, then despite this illegality or unenforceability, this Contract will remain in full force and effect and the term or provision will be considered to be deleted. In accordance with the provisions of ARS § 41-194.01, should the Attorney General give notice to the UCFD that any provisions of this Contract violates state law or the Arizona Constitution, or that it may violate a state statute or the Arizona Constitution, and the Attorney General submits the offending provision to the Arizona Supreme Court, the offending provision(s) shall be immediately severed and struck from the Contract and the UCFD and the CMAR shall, within 10 days after such notice, negotiate in good faith to resolve any issues related to the severed provision(s).

5.24 INTEGRATION

This Contract constitutes the entire understanding of the parties and no representations or Contracts, oral or written, made before its execution will vary or modify its terms.

5.25 TIME IS OF THE ESSENCE

Time of each of the terms, covenants, and conditions of this Contract is expressly made of the essence.

5.26 THIRD PARTY BENEFICIARY

All duties and responsibilities undertaken in compliance with this Contract are for the sole and exclusive benefit of the UCFD, the Carefree Water Company, or the Town of Carefree and the CMAR and not for the benefit of any other party.

5.27 COOPERATION AND FURTHER DOCUMENTATION

The CMAR agrees to provide the UCFD any other properly executed documents as may be reasonably requested by the UCFD to implement the intent of this Contract.

5.28 CONFLICT IN LANGUAGE

The performance of all Work or Deliverables will conform to all applicable Town of Carefree and UCFD codes, ordinances and requirements as outlined in this Contract and consistent with the Scope of Work described herein. If there is a conflict in interpretation between provisions in this Contract and any Exhibits, the provisions in this Contract will prevail.

5.29 HEADINGS

The headings used in this Contract, or any other Contract Documents, are for ease of reference only and will not in any way be construed to limit or alter the meaning of any provision.

5.30 UCFD'S RIGHT OF CANCELLATION

All parties to this Contract acknowledge that this Contract is subject to cancellation by the UCFD as provided by the provisions of Section 38-511, Arizona Revised Statutes.

5.31 COOPERATIVE USE OF CONTRACT

In addition to the UCFD, this Contract may be extended for use by other municipalities, government agencies, and governing bodies, including the Arizona Board of Regents, and political subdivisions of this State. Any such usage by other entities must be in accord with the ordinances, charter, and/or rules and regulations of the respective entity and the approval of the CMAR.

ARTICLE 6 - INSURANCE

6.0 INSURANCE REQUIREMENTS

- A. Concurrently with the execution of this Contract, the CMAR must furnish the UCFD a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona, or one that is named on the List of Qualified Unauthorized Insurers maintained by the Arizona Department of Insurance.
- B. The CMAR, Subcontractors, and Subconsultants must procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property, which may arise from or in connection with the performance of the Work by the CMAR, his agents, representatives, employees, or Subcontractors.
- C. The insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.
- D. The UCFD in no way warrants that the minimum limits contained in this Contract are sufficient to protect the CMAR from liabilities that might arise out of the performance of the services contracted for under this Contract by the CMAR, his

agents, representatives, employees, Subcontractors or Subconsultants and the CMAR is free to purchase any additional insurance as may be determined necessary. The UCFD will not pay for higher limits, but if the CMAR pays for insurance with higher limits, the CMAR will name the UCFD as an additional insured on any of this insurance.

- E. Claims Made. In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall continue uninterrupted throughout the term of this Contract by keeping coverage in force using the effective date of this Contract as the retroactive date on all "claims made" policies. The retroactive date for exclusion of claims must be on or before the effective date of this Contract, and can never be after the effective date of this Contract. Upon completion or termination of this Contract, the "claims made" coverage shall be extended for an additional three (3) years using the original retroactive date, either through purchasing an extended reporting option; or by continued renewal of the original insurance policies. Submission of annual Certificates of Insurance, citing the applicable coverages and provisions specified herein, shall continue for three (3) years past the completion or termination of this Contract.

- F. Self-Insured Retentions. Any self-insured retentions and deductibles must be declared to and approved by the UCFD. If not approved, the UCFD may require that the insurer reduce or eliminate any self-insured retentions with respect to the UCFD, its officers, officials, agents, employees, and volunteers.

- G. Subcontractors and subconsultants If any work under this agreement is subcontracted in any way, Contractor must execute a written agreement with its subcontractor containing the same Indemnification Clause and Insurance Requirements stated in this Contract protecting the UCFD and Contractor. Contractor will be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements. If the subconsultant is a design professional, their professional liability errors and omissions insurance shall substitute for the contractors professional liability.

6.1 MINIMUM SCOPE AND LIMITS OF INSURANCE

The CMAR must provide coverage at least as broad and with limits of liability not less than those stated below.

A. Commercial General Liability-Occurrence Form

General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$2,000,000
Personal & Advertising Injury	\$2,000,000
Each Occurrence	\$2,000,000
Fire Damage (Any one fire)	\$100,000
Medical Expense (Any one person)	Optional

B. Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles

Combined Single Limit Per Accident For Bodily Injury and Property Damage	\$1,000,000
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C. Workers' Compensation and Employers Liability

Workers' Compensation Statutory Employers Liability: Each Accident	\$500,000
Disease - Each Employee	\$500,000
Disease - Policy Limit	\$1,000,000

D. Coverage Terms and Required Endorsements

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The UCFD, Carefree Water Company, and Town of Carefree, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the CMAR including; Products and Completed operations of the CMAR; and automobiles owned, leased, hired, or borrowed by the CMAR.
2. The UCFD, Carefree Water Company, and Town of Carefree, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the CMAR even if those limits of liability are in excess of those required by this Contract.
3. The CMAR's insurance coverage, including any excess insurance policies, must be primary insurance with respect to the UCFD, Carefree Water Company, and Town of Carefree, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the UCFD, Carefree Water Company, or Town of Carefree, its officers, officials, agents, and employees must be in excess of the coverage provided by the CMAR and must not contribute to it.
4. The CMAR's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Coverage provided by the CMAR must not be limited to the liability assumed under the indemnification provisions of this Contract.
6. The policies must contain a waiver of subrogation against the UCFD, Carefree Water Company, and Town of Carefree, its officers, officials, agents, and employees, for losses arising from Work performed by the CMAR for the UCFD, Carefree Water Company, or Town of Carefree.
7. The CMAR, its successors or assigns, is required to maintain Commercial General Liability insurance as specified in this Contract for a minimum period of 3 years following completion and acceptance of the Work. The CMAR must submit Certificates of Insurance evidencing the Commercial

General Liability insurance during this 3 year period containing all the insurance requirements stated in this Contract including naming the UCFD, Carefree Water Company, and Town of Carefree, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.

8. Workers' Compensation and Employers Liability Coverage: The insurer must agree to waive all rights of subrogation against the UCFD, Carefree Water Company, and Town of Carefree, its officers, officials, agents, employees, and volunteers for losses arising from Work performed by the CMAR for the UCFD, Carefree Water Company, or Town of Carefree.
9. If the CMAR receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be CMAR's responsibility to provide prompt notice to the contract administrator of same to the UCFD, unless such coverage is immediately replaced with similar policies.

6.2 OTHER INSURANCE REQUIREMENTS

- A. Contractors Professional Liability: The CMAR must carry Contractors Professional Liability insurance to cover the residual, contingent, and passive design exposures of the CMAR.
- B. Contractors Professional Limits of Liability: The CMAR must carry limits of \$2,000,000 each Project and \$4,000,000 in the Aggregate under a stand-alone policy or included by endorsement under the Commercial General Liability policy. The CMAR, its successors and or assigns, is required to maintain this Professional Liability insurance as specified in this Contract for a minimum period of 3 years following completion and acceptance of the Work. Certificates of Insurance citing that applicable coverage is in force and contains the provisions required by this Contract must be submitted for the 3-year period.
 1. The CMAR's insurance coverage including any excess insurance must be primary insurance over any self-insurance maintained by the UCFD, Carefree Water Company, or Town of Carefree,. It is also agreed that any insurance or self-insurance coverage of the UCFD, Carefree Water Company, or Town of Carefree, is secondary to CMAR's coverage and will not contribute to it.
 2. The UCFD, Carefree Water Company, and Town of Carefree, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the CMAR.

6.3 NOTICE OF CANCELLATION

If the CMAR receives notice that any of the required policies of insurance are materially reduced with respect to the minimum limits required under this Contract. It will be CMAR's responsibility to provide prompt notice to the contract administrator of same to the UCFD, unless such coverage is immediately replaced with similar policies. Each insurance policy required by the insurance provisions of this Contract must provide the

required coverage and must not be suspended, voided, canceled by either party, except after first giving 30 days written notice, by certified mail, return receipt requested to:

Greg Crossman, Contract Administrator
Carefree Water Company
P.O. Box 702, 7181 Ed Everett Way
Carefree, Arizona 85377

6.4 ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers properly licensed or approved unlicensed companies in the State of Arizona and with an A. M. Best's rating of no less than B++6. The UCFD in no way warrants that the above required minimum insurer rating is sufficient to protect the CMAR from potential insurer insolvency.

6.5 VERIFICATION OF COVERAGE

- A. The CMAR must furnish the UCFD Certificates of Insurance (ACORD form or equivalent approved by the UCFD) and with original endorsements effecting coverage 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. Any policy endorsements that restrict or limit coverages must be clearly noted on the Certificate of Insurance.
- B. All certificates and endorsements are to be received and approved by the UCFD before Work commences except for Builder's Risk Insurance. Each insurance policy required by this Contract must be in effect on or before the earlier of the start of Work under the Contract Documents or the signing of this Contract except for Builder's Risk Insurance which must be in effect before the start of Work 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.
- C. All Certificates of Insurance required by this Contract must be sent directly to the UCFD's Contract Administrator and designated representative. The Project number and Project description must be included on the Certificates of Insurance. The UCFD reserves the right to require complete, certified copies of all insurance policies required by this Contract, at any time.

6.6 APPROVAL

Any modification or variation from the insurance requirements in this Contract must be approved by the UCFD's Contract Administrator, whose decision will be final. Any modification or variation will not require a formal contract amendment, but may be made by administrative action.

6.7 EFFECTIVE DATE

This Contract will be in full force and effect only when it has been approved and executed by the properly authorized UCFD officials.

ARTICLE 7 - FEDERAL AND STATE LAW

7.0 COMPLIANCE WITH FEDERAL AND STATE LAWS

The CMAR understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The CMAR agrees that the performance of its Work will be in accord with these laws and to permit the UCFD to verify compliance. The CMAR will also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees". The CMAR will include the terms of this provision in all contracts and subcontracts for work performed under this Contract, including supervision and oversight.

Under the provisions of A.R.S. §41-4401, the CMAR warrants to the UCFD that the CMAR and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the CMAR and all its subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the CMAR or any of its subcontractors will be considered a material breach of this Contract and may subject the CMAR or Subcontractor to penalties up to and including termination of this Contract or any subcontract.

The UCFD retains the legal right to inspect the papers of any employee of the CMAR or any subcontractor who works on this Contract to ensure that the CMAR or any subcontractor is complying with the warranty given above.

The UCFD may conduct random verification of the employment records of the CMAR and any of its subcontractors to ensure compliance with this warranty. The CMAR agrees to indemnify, defend, and hold the UCFD harmless for, from and against all losses and liabilities arising from any and all violations of these statutes related to the performance of the Work.

The UCFD will not consider the CMAR or any of its subcontractors in material breach of this Contract if the CMAR and its subcontractors establish that they have complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

The provisions of this Article must be included in any contract the CMAR enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. The CMAR will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The CMAR's failure to assure compliance by all its' subcontractors with the E-Verify Program may be considered a material breach of this Contract by the UCFD.

7.1 EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Contract the CMAR will comply with all provisions of Executive Order 11246 of September 24, 1965, and the rules, regulations and relevant orders of the Federal government's Affirmative Action guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sex, or national origin. The CMAR will include the terms of this provision in all contracts and subcontracts for work performed under this Contract, including supervision and oversight. The CMAR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, 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 CMAR agrees to post in conspicuous places, available to employees and applicants for employment,

The CMAR will, in all solicitations or advertisements for employees placed by or on behalf of the CMAR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

7.2 NO PREFERENTIAL TREATMENT OR DISCRIMINATION

In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the UCFD will not grant preferential treatment to or discriminate against any individual or group on the basis of race, sex, color, ethnicity, or national origin.

7.3 COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

CMAR acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. CMAR shall provide the services specified in this Contract in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation; provided, however, that CMAR shall not be responsible for violations that occur based on the drawings, specifications, or other Design Documents provided by the UCFD, the UCFD's consultants, or the Design Professional. CMAR agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Contract and further agrees that any violation of this prohibition on the part of CMAR, its employees, agents, or assigns will constitute a material breach of this Contract.

7.4 NO BOYCOTT OF ISRAEL

By submitting a quote/proposal/bid and/or entering into a contract with the UCFD, the vendor/company certifies that they are not currently engaged in and agrees for the duration of the Contract to not engage in a boycott of Israel as defined in A.R.S. § 35-393.

ARTICLE 8 - TERMS AND DEFINITIONS

Addenda - Written or graphic instruments issued before the submittal of the GMP Proposal(s), which clarify, correct, or change the GMP Proposal(s) requirements.

Allowance - means an agreed amount by the UCFD and the CMAR for items which may be required to complete the scope of work.

Alternate Systems Evaluations - Alternatives for design, means, and methods or other scope of work considerations that are evaluated using value engineering principles and have the potential to reduce construction costs while still delivering a quality and functional Project that meets UCFD requirements.

Buy Out Savings – Buy Out Savings are any savings of the CMAR's GMP at the conclusion of the selection of Subcontractors.

Change Order - A written order signed by an authorized representative of the UCFD and CMAR and which approves changes in the total compensation or time allowed for completion of services.

UCFD ("Owner") - means the Town of Carefree, Arizona Utilities Community Facilities District, a special purpose tax levying district and a municipal corporation and political subdivision of the State of Arizona. Regulatory activities handled by the UCFD or any of its departments are not subject to the responsibilities of the UCFD under this Contract.

CMAR ("Construction Manager at Risk") – means a project delivery method in which:

- (a) There is a separate contract for design services with one or more Design Professional and a separate contract for construction services, except that instead of a single contract for construction services, the UCFD may elect separate contracts for preconstruction services during the preconstruction phase, for construction during the construction phase and for any other construction services.
- (b) The contract for preconstruction services may be entered into at the same time as the contract for design services with the Design Professional or at a later time.
- (c) Design and construction of the project may be either:
 - (i) Sequential with the entire design complete before construction commences.
 - (ii) Concurrent with the design produced in two or more phases and construction of some phases commencing before the entire design is complete.
- (d) Finance services, maintenance services, operations services, preconstruction services and other related services may be included.

Contingency, UCFD's - means a construction fund to cover cost growth during the Project used at the discretion of the UCFD usually for costs that result from the UCFD's direct changes or unforeseen site conditions. The amount of the UCFD's Project Contingency may be set solely by the UCFD and will be in addition to the project costs included in the CMAR's GMP package. The UCFD's Project Contingency is an amount to cover changes initiated by the UCFD, which may be incorporated into the GMP as an allowance at the UCFD's discretion.

Contingency, CMAR's (or Contractor's) – means a construction fund to cover increases in the Cost of Work of the Project due to unforeseen circumstances. The CMAR's Contingency shall be negotiated between the Parties and shall be reflective of the risk inherent in the state of completion of the Construction Documents at the time the GMP Proposal is submitted. Funding of the CMAR's Contingency shall be at the sole discretion of the UCFD. Use by the Contractor of the CMAR's Contingency shall be subject to the review and approval of the UCFD's Contract Administrator, which shall not be unreasonably withheld.

Contract ("Contract") - This written document signed by the UCFD and the CMAR covering the preconstruction phase of the Project, and including other documents itemized and referenced in or attached to and made part of this Contract.

Contract Administrator – means the person designated in Article 5.12.

Construction Documents - The plans, specifications, and drawings prepared by the Design Professional after correcting for permit review requirements and incorporating addenda and approved change orders, and the Preconstruction Contract and the CMAR Construction Contract.

CMAR Construction Fee - The CMAR's administrative costs, home office overhead, and profit, whether at the CMAR's principal or branch offices. This includes the administrative costs and home office costs and any limitations or exclusions that may be included in the General Conditions for the construction phase.

Contract Amount - The final approved not-to-exceed budget for this Contract as identified in Article 3.1.

Contract Documents - means the following items and documents in descending order of precedence executed by the UCFD and the CMAR: (i) all written modifications, addenda, and Change Orders; (ii) the CMAR Construction Contract; (iii) this Preconstruction Contract, including all exhibits and attachments; (iv) written Supplementary Conditions; (v) Construction Documents; (vi) GMP Plans and Specifications.

Contract Time(s) - The number of days or the dates related to the contract time for the Preconstruction Phase Services Contract.

Cost of the Work - The direct costs necessarily incurred by the CMAR in the proper performance of the Work. The Cost of the Work must include direct labor costs, subcontract costs, costs of materials and equipment incorporated in the completed construction, costs of other materials and equipment, whether provided by CMAR or a third party, materials testing, and warranty work together with self-performed work that the CMAR established in the Sub-Contractor Selection Plan. The Cost of the Work will not include the general conditions, CMAR's construction fee, taxes, bonds, or insurance costs.

Day - Calendar day(s) unless otherwise specifically noted in the Contract Documents.

Deliverables - The work products prepared by the CMAR in performing the Scope of Work described in Exhibit A of this Contract. Major Deliverables to be prepared and provided by the CMAR during the preconstruction phase may include but are not limited to: Construction Management Plan, Project Schedule, Schedule of Values, alternative system evaluations, procurement strategies and plans, cost estimates, construction market surveys, cash flow projections, GMP Proposals, Subcontractor procurement plan, Subcontractor Contracts,

Subcontractor bid packages, Supplier Contracts, and others as indicated in this Contract or required by the Project Team.

Design Team - refers to licensed design professionals that have been selected to work on the Project by the UCFD. The Design Team will have a services contract to furnish the design and may or may not provide professional inspections for the Project. The Design Team is anticipated to be led by Tracy Grunden, of Coe & Van Loo II, LLC, a Registered Professional Civil Engineer.

Drawings (Plans) - Documents which visually represent the scope, extent, and character of the Work to be furnished and performed by the CMAR during the construction phase and which have been prepared or approved by the Design Professional and the UCFD. Drawings include documents that have reached a sufficient stage of completion and released by the Design Professional solely for the purposes of review or use in performing constructability or biddability reviews and in preparing cost estimates (e.g. conceptual design Drawings, preliminary design Drawings, detailed design Drawings at 30%, 60%, 90% or 100%), but "*not for construction*". Drawings do not include shop drawings.

Effective Date of this Contract - The date specified in this Contract on which the Contract becomes effective, but if no date is specified, the date on which the UCFD executes this Contract.

General Conditions Costs - The negotiated amount of project supervision and other indirect costs according to construction terms. These costs are not reflected in other GMP items. Costs may include, but are not limited to, the following: Project Manager, Superintendent, Full-time General Foremen, workers not included as direct labor costs engaged in support (e.g. loading/unloading, clean-up, etc.) and administrative office personnel. Other costs may include: temporary office, fencing and other facilities, office supplies, office equipment, minor expenses, utilities, vehicles, fuel, sanitary facilities, and telephone services at the site.

GMP Plans and Specifications - The plans and specifications provided in accordance with Article 1.6(C) upon which the Guaranteed Maximum Price Proposal is based.

Guaranteed Maximum Price or "GMP" means the sum of the maximum price of the Work as given in the GMP proposal; the CMAR's Direct Costs including the Subcontractor Costs of Work and the CMAR's Cost of Work, the CMAR Indirect Costs including the CMAR's Construction Fee; General Conditions, Taxes, Payment and Performance Bonds, Insurance Costs, and UCFD's Project Contingency as more fully described in Article 1.5 of this Contract.

Guaranteed Maximum Price (GMP) Proposal - The offer or proposal of the CMAR submitted on the prescribed form stating the GMP prices for the entire Work (which includes Cost of the Work, General Conditions, Taxes, Bonds, Insurance) or portions of the Work to be performed during the construction phase. The GMP Proposal(s) are to be developed in compliance with Article 1.6 of this Contract.

Hazardous substance - means:

- (a) Any substance designated pursuant to sections 311(b) (2) (A) and 307(a) of the clean water act.
- (b) Any element, compound, mixture, solution or substance designated pursuant to section 102 of CERCLA.
- (c) Any hazardous waste having the characteristics identified under or listed pursuant to section 49-922.
- (d) Any hazardous air pollutant listed under section 112 of the federal clean air act (42 United States Code section 7412).

- (e) Any imminently hazardous chemical substance or mixture with respect to which the administrator has taken action pursuant to section 7 of the federal toxic substances control act (15 United States Code section 2606).
- (f) Any substance which the director, by rule, either designates as a hazardous substance following the designation of the substance by the administrator under the authority described in subdivisions (a) through (e) of this paragraph or designates as a hazardous substance on the basis of a determination that such substance represents an imminent and substantial endangerment to public health.

Indirect Costs - include the General Conditions, Payment and Performance Bonds, Insurance and Taxes.

Legal Requirements - means all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-governmental entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

Notice to Proceed - A written notice given by the UCFD to the CMAR fixing the date on which the CMAR will start to perform the CMAR's obligations under the Construction Services Contract.

Payment Request - The form that is accepted by the UCFD and used by the CMAR in requesting progress payments or final payment and which will include any supporting documentation as is required by the Contract Documents or the UCFD, and is based on a monthly estimate of the dollar value of the Work completed.

Preconstruction Services - means advice given during the preconstruction phase. Preconstruction Services will be contracted for between the UCFD and the CMAR, as required by A.R.S. § 34-603(E). Services may include the following: design review, project scheduling, constructability reviews, alternate systems evaluation, cost estimates, GMP preparation, and subcontractor bid phase services.

Project - The scope of work as described in the Recital above and Exhibit "A" attached.

Project Team - Preconstruction phase services team consisting of the Design Professional, the CMAR, the Contract Administrator, the UCFD's representatives and other stakeholders who are responsible for making decisions regarding the Project.

Risk Management Plan - Documentation prepared by the CMAR during both the design and construction phases. The Risk Management Plan should identify and quantify the design and construction risks particular to the Project, assigns the risks to the appropriate party, and develop risk management strategies to reduce or eliminate the risks. The Risk Management Plan shall manage and re-evaluate the risks throughout the life of the project with the intent of reducing cost overruns, delays, and other impediments to project completion.

Samples - Physical examples that illustrate materials, equipment, or workmanship representative of a part of the construction phase Work and which establish the standards by which that portion of the construction phase Work will be judged.

Schedule of Values (SOV) - means the Document specified in the construction phase, which divides the Contract Price into pay items, so that the sum of all pay items equals the Contract Price for the construction phase Work, or for any portion of the Work having a separate specified Contract Price. The SOV may or may not be output from the Progress Schedule depending on whether the Progress Schedule is cost-loaded or not.

Shop Drawings - means drawings, diagrams, schedules and other data specially prepared for the Work by the CMAR or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

Site(s) - mean the lands or premises on which the Project and/or Project features are generally located. Most of the Work will be performed at various locations within the Town of Carefree, Arizona. Some of the work will be performed within the boundaries of neighboring municipalities including the Town of Cave Creek and the City of Scottsdale. The CMAR will include in its contract with subcontractors the street or physical address of a particular construction site, if applicable.

Specifications - The section(s) of the Contract Documents for the construction phase consisting of written technical descriptions of materials, equipment, construction systems, standards, and workmanship as applied to the Work and certain applicable administrative details.

Subcontractor - means any person or entity retained by the CMAR as an independent contractor to perform a portion of the Work and must include material, workers, and suppliers. All subcontractors must be selected in accordance with the selection plan stated in Article 1.8.

Subconsultant - A person, firm, or corporation having a Contract with the CMAR to furnish services required as its independent professional associate or consultant with respect to the Project.

Substantial Completion - When the Work, or when an agreed upon portion of the Work, is sufficiently complete so that the UCFD can occupy and use the Project or a portion of the Project for its intended purposes. This may include, but is not limited to: (a) approval by the Town Fire Marshall and local authorities (Certificate of Occupancy); (b) issuance of elevator permit; (c) demonstration to the UCFD that all systems are in place, functional, and displayed to the UCFD or its representative; (d) installation of all materials and equipment; (e) UCFD review and acceptance of all systems and their functionality; (f) UCFD review and acceptance of final or pre-final O&M manuals and record documents; (g) UCFD operation and maintenance training completed; (h) HVAC test and balance completed [provide minimum 30 days before the projected substantial completion]; (i) completed landscaping and Site work; and (j) final cleaning.

Supplier - A manufacturer, fabricator, supplier, distributor, material men or vendor having a direct contract with the CMAR or with any Subcontractor to furnish materials or equipment to be incorporated in the construction phase Work by the CMAR or any Subcontractor.

Work - The entire completed construction or the various separately identifiable parts of the construction, required to be furnished during the construction phase. Work includes and is the result of performing or furnishing labor and furnishing and incorporating materials, resources and equipment into the construction, and performing or furnishing services and documents as required by the Contract Documents for the construction phase.

(SIGNATURES ON NEXT PAGE)

CONSTRUCTION MANAGER AT RISK:
ACHEN-GARDNER CONSTRUCTION, LLC

Daniel J. Spitza, Vice President

The Town of Carefree, Arizona Utilities Community Facilities District by its President and Secretary/Treasurer have subscribed their names this ____ day of _____, 2021.

TOWN OF CAREFREE, ARIZONA
UTILITIES COMMUNITY FACILITIES
DISTRICT
a municipal corporation and political
subdivision of the State of Arizona

ATTEST:

Les Peterson
Charmain of the Board and President

Kandace French-Contreras
Secretary/Treasurer

Greg Crossman
Carefree Water Company
Contract Administrator

APPROVED AS TO FORM:

Michael Wright, UCFD Attorney

EXHIBIT A SCOPE OF WORK

The Town of Carefree, Arizona Utilities Community Facilities District (the UCFD), through the Carefree Water Consolidation Project, seeks to expand service to more than 20% of Carefree residents who are currently being furnished potable water by the Town of Cave Creek in what are identified as Neighborhoods A, B, and C (see attached Figure 1). This complex project will involve a variety of water system improvements at more than 20 project "sites". Including the installation of various water lines up to 12" diameter (possibly even 16" diameter), the construction of a new 300,000 gallon concrete potable water storage reservoir, and upgrades or improvements to multiple booster pump stations. Preconstruction phase services provided by the Contractor under this CMAR project will include design assistance, constructability reviews, value engineering, and cost estimating services, among others.





The Work will generally be consistent with that shown in the 30% plans produced by the engineering firm Coe and Van Loo (CVL) and provided to all Contractors participating in the CMAR Request for Proposal process, with the understanding that significant changes can occur in the development of 60%, 90%, and 100% plans. The six (6) sets of 30% plans that were provided are as follows:

- Southwest Carefree Water Improvements (Neighborhood A)
- West Carefree Water Improvements (Neighborhood B)
- Northwest Carefree Water Improvements (Neighborhood C)
- Boulders Water Storage Tank
- Booster Pump Station Site Improvements
- Tom Darlington to Carefree Highway – 12" Water Main Plans

This Scope of Work may be expanded at the discretion of the UCFD and consistent with Paragraph B of the recitals.

The Project is anticipated to begin construction sometime in the latter portion of 2021.

Further details on this Scope of Work are included in this Exhibit A as Attachment 1.0 (Fee Spreadsheet) and Attachment 2.0 "Scope of Work Clarifications". Where inconsistencies exist between the Contract and this Exhibit A and Attachments 1.0 and 2.0, the Contract shall govern.

-  Town of Carefree Boundary
-  Carefree Water Company Service Area
-  Cave Creek Service Areas in Carefree
-  Maricopa County Parcels

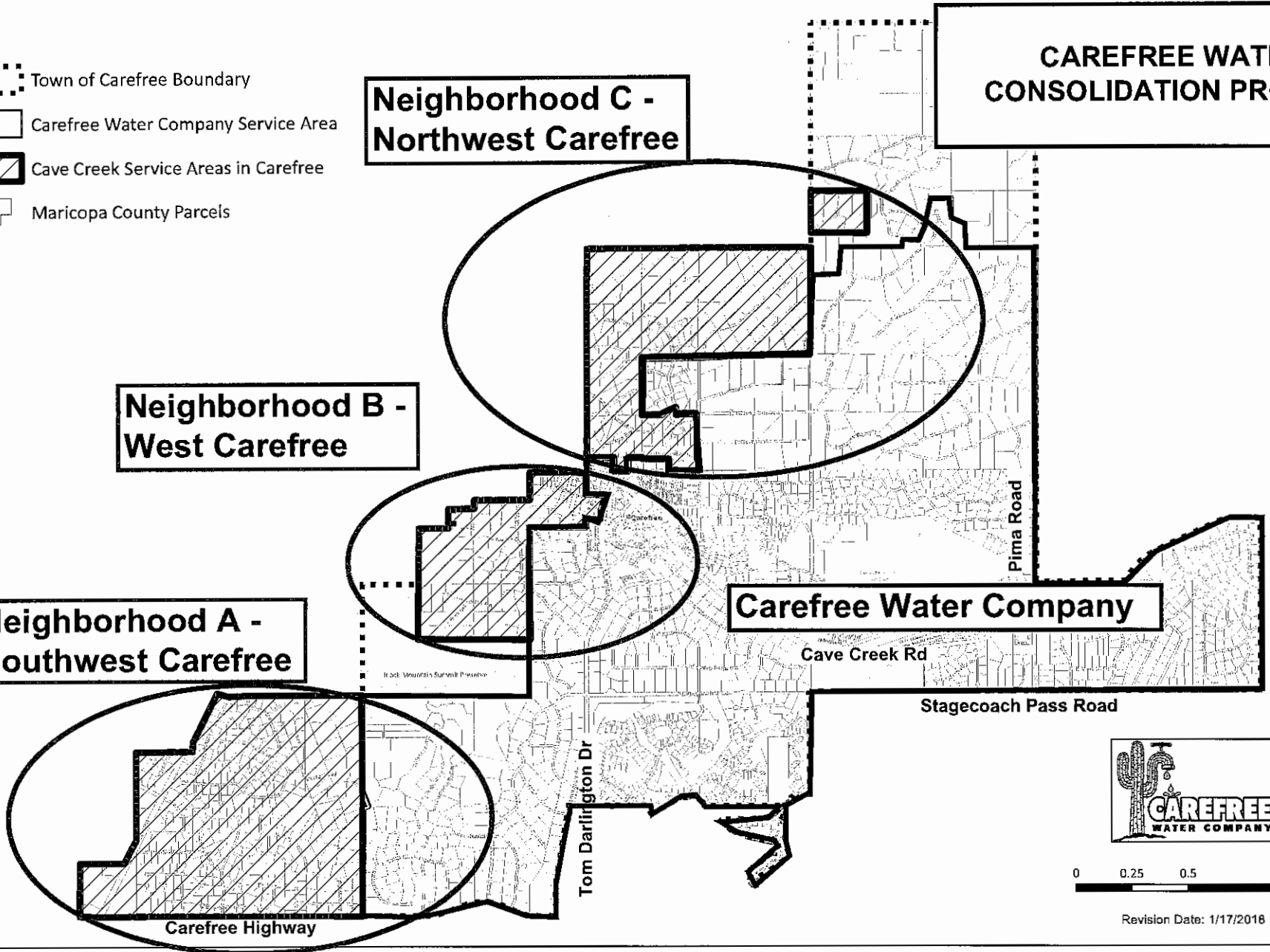
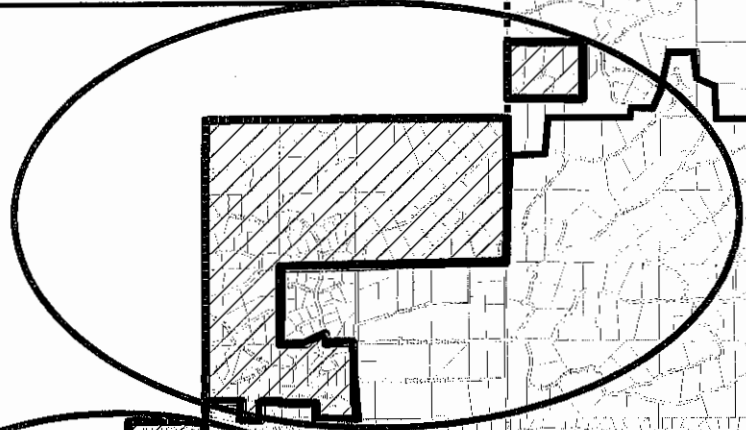
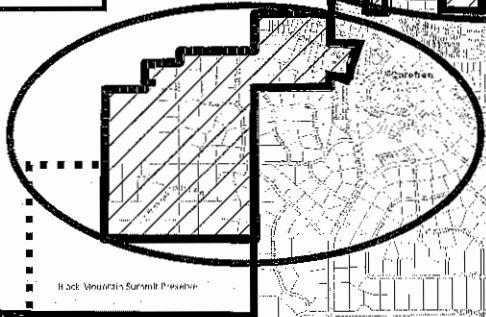
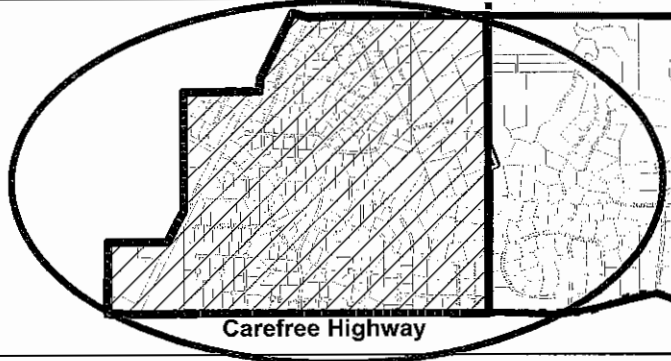
CAREFREE WATER CONSOLIDATION PROJECT

Neighborhood C - Northwest Carefree

Neighborhood B - West Carefree

Neighborhood A - Southwest Carefree

Carefree Water Company



Achen-Gardner Construction, LLC

550 South 79th Street
Chandler, AZ 85226-4706
Office: 480-940-1300 / Fax: 480-940-4576

Town of Carefree/Carefree Water Company/UCFD

Date: 2/24/2021
Revision: 2

Attachment 1.0

PROJECT: Carefree Water Consolidation Project
ACHEN-GARDNER PROJECT NO.: 3878100

Task No.	PROJECT SCOPE ESTIMATE (Estimated Duration = 11 Mos.)												TOTAL
	Contract Article	QTY	PCM	PM	PE	PS	GS	SE	CE	PA	AA		
Cost Type (See Note 4)			\$138.60	\$138.60	\$103.69	\$140.86	\$146.67	\$127.40	\$136.84	\$95.30	\$77.20		
Unit Rate Total (\$/HR)													
ACHEN-GARDNER HOURLY SERVICES													
1	Program Evaluation	1.0	1 EA	8.00	8.00			8.00	8.00				\$ 4,410.16
2	Project Meetings (freq. will vary; assume weekly for first 3 months=12, then bi-weekly for 8 months =16)	1.0	28 EA	80.00	80.00	40.00	80.00	40.00	40.00				\$ 48,555.20
3	Meeting Preparations and Post Meeting Follow Up (34 ea)	1.0	34 EA	60.00	30.00						24.00		\$ 14,326.80
4	Public Meetings	1.0	2 EA	6.00	6.00		6.00						\$ 2,508.36
5	Special Meetings (utility coordination, permitting, agency coordination, etc.)	1.0	4	12.00	12.00	6.00	6.00	4.00	8.00				\$ 6,399.58
6	Public Outreach/Stakeholder Coordination Program	VAR	1 EA	12.00	8.00	8.00							\$ 3,601.52
7	Public Outreach/Stakeholder Coordination Meetings and Communication Plan	VAR	2 EA	6.00	6.00	6.00							\$ 2,285.34
8	Construction Management Plan	1.1	1 EA	4.00	8.00	12.00							\$ 2,907.48
9	Project Schedule (30% baseline and 2 updates at 60%, 90%) and 4 GMP/100% stages)	1.2	7 EA	8.00	24.00	24.00	16.00	6.00	8.00		4.00		\$ 11,385.54
10	Phasing Recommendations	1.2	INCL										\$ -
11	Design Document Reviews	1.3	3 EA	12.00	12.00	4.00	12.00	4.00	48.00				\$ 12,133.36
12	Constructability Reviews and Reports (included with Design Document Reviews)	1.3	INCL										\$ -
13	Biddability Reviews and Reports	1.3	INCL										\$ -
14	VE/Alternate Systems Evaluation (30% and 60% stages)	1.3	2 EA	8.00	8.00		8.00	8.00	8.00	4.00			\$ 6,084.40
15	Cost Estimate Development Log (included with Cost Model/GMP variance reports)	1.3	INCL										\$ -
16	Cost Model, Cost Estimates and Schedule of Values (30%, 60% and 90% stages)	1.4	4 EA	32.00	80.00	16.00	24.00	16.00	200.00	12.00	8.00		\$ 50,794.08
17	Cash Flow Projections (included with GMP)	1.4	INCL										\$ -
18	GMP Development (4 ea.- exact scopes TBD)	1.5/1.6	4 EA	16.00	80.00	16.00			144.00				\$ 33,310.24
19	GMP Document Development/Distribution/Review	1.6/1.7	INCL										\$ -
20	Sub and Supplier Selection Plan/Misc. Administration (per AGC SOQ dated October 29, 2020)	1.8	1 EA	6.00	6.00	4.00		2.00	16.00				\$ 4,409.70
21	Utility Designation and Geotechnical Assessment/Coordination/Field Supervision/Review	VAR	1 EA	16.00	40.00	40.00	120.00	16.00			2.00		\$ 31,313.52
22	Monthly Management, Clerical & Administrative (11 months)	VAR	11 Mo	11.00	24.00	18.00					9.00	18.00	\$ 8,964.72
SUBTOTAL (1) = Achen-Gardner Hourly Services =				297.00	432.00	194.00	272.00	104.00	480.00	16.00	17.00	48.00	\$ 243,390.00
TOTAL BASIC SERVICES HOURS (HRS)				297.00	432.00	194.00	272.00	104.00	480.00	16.00	17.00	48.00	
SUBTOTAL - BASIC SERVICES TOTAL (\$'s)				\$41,164.20	\$59,875.20	\$20,115.86	\$38,313.92	\$15,253.68	\$61,152.00	\$2,189.44	\$1,620.10	\$3,705.60	\$ 243,390.00
Estimated Duration of Services and % Utilization:			11	15.70%	22.83%	10.25%	14.38%	5.58%	25.37%	0.85%	0.90%	2.54%	
ALLOWANCES / REIMBURSABLES:													
23	Sub-Consultant - MakPro Services (Proposal Dated 1-7-2021)												\$ 16,800.00
24	Utility Pothele/Designation (100 ea @ \$1000/ea)												\$ 100,000.00
25	Diggability Assessment/Open Excavation (8 @ \$2500/ea=\$20,000)												\$ 20,000.00
26	Geotechnical Bores 10' depth or to refusal (Ninyo and Moore) (24 @ \$312.50/ea=\$7500)												\$ 7,500.00
SUBTOTAL - ALLOWANCES / REIMBURSABLES (\$'s)													\$ 144,300.00
TOTAL - PRECONSTRUCTION PHASE SERVICES (Excludes Sales Tax Except as Noted)												\$ 387,690.00	

NOTE: INCL=included in hours presented in other tasks. See Attachment 2.0
Ken Kawamoto, Pre-Construction Manger Date 2/24/21

Attachment 2.0

Proposal Qualifications

Carefree Water Consolidation Project (CMAR) Pre-Construction Services Contract

List of Documents – Proposal is based on the following documents included by reference and as qualified here in.

- A. Town of Carefree Project RFQ and any Addendums.
- B. Achen-Gardner's SOQ dated 10-29-20 (including Subcontractor/Supplier Selection Plan).
- C. Achen-Gardner's Interview Handout dated 12-16-20
- D. Town of Carefree Construction Manager at Risk Sample Pre-Construction Services Contract, including Exhibit A, Exhibit B, and Exhibit C as provided to Achen-Gardner with the original RFQ.
- E. Town of Carefree Water Consolidation CMAR 30% stage plans by Coe and Van Loo II L.L.C. (CVL) and Burgess and Niple Inc. titled as follows:
 - 1. Carefree Water Company, Town of Carefree, Boulders Water Storage Tank
 - 2. Booster Pump Station Site Improvements for Carefree Water Company
 - 3. Southwest Carefree Water Improvements Plans for Carefree Water Company Neighborhood A
 - 4. West Carefree Water System Improvements Plans for Carefree Water Company Neighborhood B
 - 5. Northwest Carefree Water System Improvements Plans for Carefree Water Company Neighborhood C
 - 6. Tom Darlington to Carefree HWY 12" Water Main Plans
- F. Achen-Gardner Pre-Construction Services Proposal rev 1 dated 2-24-21.

Pre-Construction Agreement Qualifications – Proposal is based on the following clarifications.

- 1) Article 1.2.B – CMAR excludes resource loading from the Pre-Construction Project Schedule requirements.
- 2) Article 1.5.B – For initial determination of Total Cost of Work, Indirect Cost Percentages that will be used for Cost Model and GMP development shall be as follows (final rates shall be negotiated prior to completion of Cost Model and/or GMP):
 - Insurance 1.75%
 - Taxes 10.3% (Tax exempt exclusions TBD)
 - CMAR Fee 12.5% (Corporate Overhead 7.5% / Profit 5%)
 - Bond 0.70% or 0.80% (depending on warranty requirements)

- 3) Article 5.18 – Taxes are excluded from Basic Services and associated Unit Hourly Rates.
- 4) General – CMAR will provide professionally sealed documents, works, and/or plans only if specifically asked to perform design-assist scopes during Pre-Construction. If this “Seal” is required, the costs for the associated “Seal” would be captured and funded in the subsequent construction GMP.
- 5) General – Project staffing and CMAR organizational structure shall follow the outline and descriptions as detailed in the Achen-Gardner SOQ dated 10-29-20.
- 6) General -- The UCFD and CMAR understand and agree that any GMP agreed to under this Project will be administered as a measured quantity/unit prices guaranteed not-to-exceed contract. This not-to-exceed amount is defined by the individual work items as represented on the plans for field installation and their associated competitively bid and/or negotiated unit prices plus negotiated allowances, on-site general conditions, fee structure, markups, and CMAR’s Contingency. CMAR shall be responsible for independent quantity take-offs and shall not rely on quantities developed by others. Furthermore, the term “Cost of Work” and “actual cost” are defined as the final negotiated unit prices mutually agreed to by the UCFD and CMAR. The UCFD and the CMAR understand and agree that individual priced “self-performed” items may include the cost associated with the risk of delivering the work. As necessary, the CMAR will provide a breakdown of each item using the following industry breakdowns or alternate UCFD approved format:
 - Labor and Burden
 - Equipment (Owned and Rented)
 - Materials, Supplies, and Fees
 - Subcontracts
 - Allowances and Contingencies

Schedule Qualifications – Proposal is based on following Attachment 2.0 clarifications.

- 7) CMAR has assumed an approximate 11-month Pre-Construction Services duration starting approximately March 15, 2021 and extending through January 2022. This duration was based on the CVL preliminary project schedule as provided to Achen-Gardner and on conversation with Greg Crossman. This period may be shortened depending on plan development time and sequence, project phasing decisions, and permitting times. Should extensions occur, hourly rates are subject to possible inflationary increases after 2-1-22. This 11-month duration assumes the delivery of four (4) GMPs with exact scopes to be determined.
- 8) Depending on project phasing and potential early construction GMP and construction start, the Pre-Construction and Construction periods may overlap.

Scope Clarifications - Proposal is based on following scope clarifications:

- 9) Re: Task Descriptions – Descriptions, Contract Section References, and Quantities shall serve to qualify the assumed scope of services.

- 10) Re: Task 2– CMAR excludes development of regular design coordination meeting minutes. It does include developing meeting minutes for any special meetings it will be scheduling and taking a lead on.
- 11) Re: Task 5 – CMAR will work with the UCFD and CVL to evaluate the need for additional and/or special meetings as needed to ensure project completeness and continuity.
- 12) Re: Tasks 6 and 7 – Public outreach/stakeholder coordination plan will be developed during the Pre-Construction phase and the CMAR and its sub consultant MakPro Services will assist the UCFD with implementation of this plan. An Allowance is established within Attachment 1.0 for anticipated costs for MakPro Services. Achen-Gardner costs for this Item are included within Task 6 and Task 7.
- 13) Re: Task 8 – A formal CMP is included. However, CMAR may, with Owner's consent, choose to organize and house the Projects associated CMAR deliverables in a format that will satisfy CMP's documentation requirement as it relates to organizing deliverables and reports in such a way that the Project team can easily refer to these as required during construction. Various elements of the CMP may be included within other portions of the Pre-Construction deliverables.
- 14) Re: Task 10 – Phasing Recommendations will be provided during the Pre-Construction period as elements of our Design Document Reviews.
- 15) Re: Task 12 – Constructability Reviews will be included with the Design Document Reviews.
- 16) Re: Task 13 – Biddability Reviews will be provided during the Pre-Construction period as elements of our Design Document Reviews.
- 17) Re: Task 14 – VE/Alternate Systems Evaluations will be conducted at the 30% and the 60% plan stages, or at two times as determined to be most effective by the project team.
- 18) Re: Task 16 - Cost Models/Cost Estimates will be provided at the 30% and 60% plan stages as agreed. The 30% estimate will be based on the plan sets referred to under List of Documents (above). If the project team determines that a 30% estimate is not needed, a 60% and a 90% estimate (pre-GMP) will be provided.
- 19) Re: Task 17 – Cash flow projections will be included with the GMP proposal.
- 20) Re: Task 18 – The Pre-Construction proposal assumes that there will be four (4) GMP's for the project, with the exact/final scopes of each GMP to be determined.
- 21) Re: Task 20 – The Subcontractor and Supplier Plan for the Project will be as per the Plan described and outlined in the Achen-Gardner SOQ dated October 29, 2020.

- 22) Re: Task 23 – MakPro Services will provide Public Outreach/Stakeholder Coordination as deemed necessary by Achen-Gardner and the UCFD. For purposes of this Allowance, MakPro hours have been estimated at 80 hours for the firm Principal and 80 hours for a firm Associate. MakPro hourly rates are included in Exhibit B.
- 23) Re: Tasks 24, 25 and 26 relate to utility potholing and geotechnical/subsurface soil condition evaluations. Exact scope and utilizations of these Allowances TBD by the project team during preconstruction.
- 24) Re: Mark ups and fees – Indirect costs will be applied in subsequent Cost Models, Estimates and GMPs per the structure detailed in comment on Article 1.5.B (above).
- 25) Attachment 1.0 details estimated costs to complete the proposed Pre-Construction scope. Task structure is provided in order to organize these costs; Achen-Gardner reserves the right to use a guaranteed maximum approach and total man-hours in lieu of individual task maximums.

**EXHIBIT B
HOURLY RATE SCHEDULE**

The schedule of hourly labor rates for employees of the CMAR are as follows and are based on the approved proposal submitted to the UCFD on the 2nd day of March, 2021.

Title/Name	Direct Rate (\$/Hr)	Total Rate (\$/Hr)
Pre-Construction Manager (PCM)	\$67.80	\$138.60
Project Manager (PM)	\$67.80	\$138.60
Project Engineer (PE)	\$45.40	\$103.69
Project Superintendent (PS)	\$67.80	\$140.86
General Superintendent (GS)	\$71.60	\$146.67
Senior Estimator (SE)	\$59.50	\$127.40
Chief Estimator (CE)	\$66.65	\$136.84
Administrative Assistant (AA)	\$45.40	\$ 77.20
Public Involvement – Principal (PI-PR) (MakPro)	-	\$120.00
Public Involvement – Assoc. (PI-AS) (MakPro)	-	\$90.00

Note: Any changes in Project Staffing will require UCFD approval.

**EXHIBIT C
SUBMITTAL REQUIREMENTS FOR THE GMP**

GMP submittal, one hard copy and one electronic pdf copy for review.

Two (2) copies will be requested by the UCFD prior to contract execution.

GMP Cost Model Exhibit Contents:

1. Scope of Work
 2. Summary of the GMP
 3. Schedule of Values – Direct and Indirect cost summary: Unit prices and quantity take-offs using the UCFD’s standard pay items; Details of all allowances and unit price work shown and specified in the detailed design documents; All fixed equipment, site improvements, and utility and equipment installations; Field Office overhead; Home Officer overhead; Bonds, taxes, insurance; The CMAR Contractor’s fee (percentages for self-performed work and subcontractor work when different).
 4. List of Plans and Specifications used for GMP Proposal
 5. List of clarification and assumptions
 6. Subcontractor Bids on Subcontractor Letterhead
 7. Project Schedule showing critical path construction items
-
- A. Scope of Work will consist of a brief description of the work to be performed by CMAR and major points that the CMAR and the UCFD must be aware of pertaining to the scope. (normally one paragraph is sufficient.)
 - B. A summary of the GMP with a total for each of the components of the GMP as listed in its definition in Article 1 as shown in the table below:
 - C. Schedule of Values - spread sheet with the estimated bid or cost organized by subcontract categories, allowances, bid contingency, general conditions costs, taxes, bonds, insurances, and the CMAR’s construction phase fee. The supporting document for the spreadsheet must be provided in an organized manner that correlates with the schedule of values. The backup information shall consist of the request for bids, bids received, and clarification assumptions used for the particular bid item listed on the schedule of values, if applicable: material costs, equipment costs, labor costs, hourly labor rates, and total cost. Labor costs shall include the employee classification, benefits, payroll taxes and other payroll burdens. The total cost for any portion of the work to be performed by subcontractors shall include subcontractor overhead and profit. Production rates, transportation and other facilities and services necessary for the proper execution of the work, whether temporary or permanent, and whether or not incorporated or to be incorporated into the work. Copies of quotations from subcontractors and suppliers. Memoranda, narratives, consultant’s reports and all other information used by the CMAR Contractor to arrive at the GMP. The GMP must include all assumptions, descriptions and a breakdown of all allowances.

EXHIBIT C

GMP SUMMARY			AMOUNT
	COST OF THE WORK - DIRECT COSTS	AMOUNT	
A	Sub-Contractors' Cost of the Work (Labor, Materials, Equipment, Warranty, Insurance, Profit)	\$	
B	CMAR Self-Performed Cost of the Work (Labor, Materials, Equipment, Warranty)	\$	
C	Total Cost of the Work (A+B)		\$
	INDIRECT COSTS	AMOUNT	
D	General Conditions (Negotiated Amount)	\$	
E	Total Cost of the Work + General Conditions Fee (C+D)		\$
F	Payment and Performance Bonds (On Cost of the Work + General Conditions Fee)	\$	
G	Insurance (Additional CMAR's Insurance not provided in the Total Cost of the Work)	\$	
H	Subtotal Direct + Indirect Costs (E+F+G)		\$
I	CMAR Construction Fee (Negotiated Fixed Fee)	\$	
J	Taxable Project Subtotal (H+I)		\$
K	Taxes (Actual Reimbursable limited by Not to Exceed)	\$	
L	Project Subtotal (J+K)		\$
M	UCFD'S PROJECT CONTINGENCY (As determined by the UCFD)		\$
N	TOTAL GMP (Not to Exceed) (L+M)		\$

D. A list of the Plans and Specifications with latest issuance date including all addenda used in preparation of the GMP proposal. The plans used for the GMP must be date stamped and signed by CMAR, Design Consultant, and Project Manager using the format below.

Plans Used for Preparation of GMP No.	
CMAR	Date
Design Consultant	Date
Project Manager	Date

EXHIBIT C

- E. A list of the clarifications and assumptions made by the CMAR in the preparation of the GMP proposal, to supplement the information contained in the documents.
- F. All Subcontractor Bids for the Project on the Subcontractor's Letterhead.
- G. A Critical Path Method diagram construction schedule.

NOTE: The submittal package must be kept as simple as possible all on 8½ x 11 sheets. Color or shading must be kept to a minimum. If used, make sure the color or shading will not affect the reproduction of the submittal in black and white.

Final GMP submittal will consist of the following:

1. Two (2) Copies of the GMP (perforated as requested by Bids & Specifications) Velo or 3-hole punched.
2. One copy of the plans and technical specifications used to arrive at the GMP (signed by Design Consultant, CMAR and Project Manager).
3. One electronic pdf copy of the items identified in 1. and 2. above.

UCFD/CWC

MAR 02 2021

3-B

**TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT
CAREFREE WATER CONSOLIDATION PROJECT**

FINAL DESIGN SERVICES CONTRACT

**PROJECT NO. 2021-W01
CONTRACT NO. C2021-02**

**TOWN OF CAREFREE, ARIZONA UTILITIES COMMUNITY FACILITIES DISTRICT
ENGINEERING SERVICES CONTRACT**

**CAREFREE WATER CONSOLIDATION PROJECT
FINAL DESIGN SERVICES**

THIS CONTRACT, entered into this 2nd day of March, 2021, between the Town of Carefree, Arizona Utilities Community Facilities District, a special purpose tax levying district and a municipal corporation and a political subdivision of the State of Arizona, the "UCFD" and Coe and Van Loo II L.L.C., an Arizona limited liability company, the "ENGINEER."

RECITALS

A. The UCFD intends to contract for Final Design Services for the acquisition of the portion of Carefree served potable water by the Town of Cave Creek known as the "Carefree Service Area". This area is comprised of three neighborhoods known as "Neighborhoods A, B, and C" (also generally known as west side of Carefree). This engineering design effort will be used to finalize the disconnection of these three neighborhoods from the Cave Creek water system and reconnect them to the Carefree Water system. This effort will take the design effort from the 30% level to the 100% (Final Plans) level and be supported by a construction contractor through the Construction Manager at Risk (CMAR) process.

The final design effort will generally consist of developing the existing 30% plans into 60%, 90%, and final (100%) plans with the understanding that significant changes can occur in the final design process. The six (6) sets of 30% plans that have been developed are as follows:

- Southwest Carefree Water Improvements (Neighborhood A)
- West Carefree Water Improvements (Neighborhood B)
- Northwest Carefree Water Improvements (Neighborhood C)
- Boulders Water Storage Tank
- Booster Pump Station Site Improvements
- Tom Darlington to Carefree Highway – 12" Water Main Plans

The UCFD may expand, at its discretion, the Scope of Work to include other water system improvements funded by water revenue bond proceeds and by various other Carefree Water Company programs and budgets such as the annual Capital Improvement Program (the "CIP"), collected development or impact fees (Water Capacity Fees), and Replacement and Maintenance (R&M) budgets.

The UCFD may also expand the Scope of Work to include other infrastructure improvements funded by the Town of Carefree (the "Town") when, at the discretion of the Town and the UCFD, it is in the best interest of the Town to include such work. Town work may include drainage and flood control, roadway, and other public infrastructure improvements.

B. The Engineer is qualified to render the design services desired by the UCFD.

FOR AND IN CONSIDERATION of the parties' mutual covenants and conditions, it is agreed between the UCFD and the Engineer as follows:

1.0 Description, Acceptance, Documentation

1.1 Scope of Services

The Engineer will act under the authority and approval of the Contract Administrator to provide the Engineering services required by this Contract.

The Engineer is assigned the tasks specified in the attached Exhibit A, Scope of Work, "Carefree Water System Acquisition – Preliminary Engineering Design Services", which is incorporated by reference and made a part of this Contract. All survey and engineering drawings prepared as part of this Engineering Services Contract shall include right-of-way, easement, and property boundaries.

The Engineer must obtain all necessary information to complete the tasks specified herein and in Exhibit A, Scope of Work, "Carefree Water Consolidation Project – Final Design Services".

1.2 Acceptance and Documentation

- A. Each task will be reviewed and approved by the Contract Administrator to determine acceptable completion.
- B. The UCFD will provide information to the Engineer for timely completion of the tasks in Section 1.1 above.
- C. All documents, including but not limited to, drawings, special provisions, data compilations, studies, field survey notes, reports, and estimates which are prepared in the performance of this Contract are to be and remain the property of the UCFD and are to be delivered to the Contract Administrator before final payment is made to the Engineer.

2.0 Fees and Payments

2.1 Fee Schedule

Engineer will perform the services outlined herein for a not-to-exceed fee of \$589,326 unless exceedances are authorized in writing. Engineer will prepare a monthly invoice based on the percentage of work complete and submit the invoice to the UCFD. A breakdown of the costs is shown in the attached Exhibit B which summarizes the entire project.

2.2 Payment Approval

The time spent for each task must be recorded and submitted to the Contract Administrator. The Engineer must maintain all necessary documents and

accounting records pertaining to time billed and to costs incurred and make these materials available at all reasonable times during the contract period.

Monthly payments will be made to the Engineer on the basis of a progress report submitted by the Engineer for work completed through the last day of the preceding calendar month; however, not more than 90% of the total contract price will be paid before UCFD's final acceptance of all completed work. Each task is subject to review and approval by the Contract Administrator to determine acceptable completion.

The Contract Administrator reserves the exclusive right to determine the amount of work performed and payment due the Engineer on a monthly basis.

All charges must be approved by the Contract Administrator before payment.

2.2.1 Payment Terms

The UCFD's payment terms for engineering work is 30 days after invoice submittal by the engineer and the work is approved by the UCFD Contract Administrator.

2.3 Price Adjustment – Not Used

3.0 General Terms and Conditions

3.1 Contract Administrator

The Contract Administrator for the UCFD will be Greg Crossman, General Manager of the Carefree Water Company, or designee. The Contract Administrator will oversee the performance of this Contract, assist the Engineer in accessing the organization, audit billings, and approve payments. The Engineer must submit all drawings, special provisions, field survey notes, reports, and estimates, and any special requests through the Contract Administrator. The Contract Administrator has the authority to authorize Change Orders up to the limits permitted by the UCFD.

3.2 Term of Contract

The term of this contract shall begin on the date that Notice to Proceed is issued, and all work under this contract shall be completed within 1 year (365 calendar days) unless extensions are issued in writing. Attached as Exhibit C is the schedule for overall project completion.

If any tasks remain incomplete after the Term of the Contract, the Contract Administrator must give written approval to continue the Contract.

This Contract is in full force and effect when it is signed by the UCFD and the Engineer.

3.3 Termination or Cancellation of Contract

The UCFD may terminate this Contract or abandon any portion of the project that has not been performed by the Engineer.

Termination for Convenience: The UCFD has the right to terminate this Contract or any part of it for its sole convenience with 30 days written notice. If terminated, the Engineer must immediately stop all work and will immediately cause any of its suppliers and Subcontractors to stop all work. As payment in full for services performed to the date of the termination, the Engineer will receive a fee for the percentage of services actually completed. This fee will be in the amount mutually agreed upon by the Engineer and the UCFD, based on the Scope of Work. If there is no mutual agreement, the Contract Administrator will determine the percentage of completion of each task detailed in the Scope of Work and the Engineer's compensation will be based on this determination. The UCFD will make this final payment within 60 days after the Engineer has delivered the last of the partially completed items. The Engineer will not be paid for any work done after receipt of the notice of termination or for any costs incurred by the Engineer's suppliers or Subcontractors, which the Engineer could reasonably have avoided.

Cancellation for Cause: The UCFD may also cancel this Contract or any part of it with 7 days notice if the Engineer defaults, or if the Engineer fails to comply with any of the terms and conditions of this Contract. Unsatisfactory performance as determined by the Contract Administrator and failure to provide the UCFD, upon request, with adequate assurances of future performance are all causes allowing the UCFD to terminate this Contract for cause. Upon cancellation for cause, the UCFD will not be liable to the Engineer for any amount, and the Engineer will be liable to the UCFD for all damages sustained by the default which caused the cancellation.

If the Engineer is in violation of any Federal, State, County or Town law, regulation or ordinance, the UCFD may terminate this Contract immediately after giving notice to the Engineer.

If the UCFD cancels this Contract or any part of the Contract services, the UCFD will notify the Engineer in writing, and upon receiving notice, the Engineer must discontinue advancing the work and proceed to close all operations.

Upon cancellation, the Engineer must deliver to the UCFD all drawings, special provisions, field survey notes, reports, and estimates, entirely or partially completed, in any format, including but not limited to written or electronic media, together with all unused materials supplied by the UCFD. Use of incomplete data will be the UCFD's sole responsibility.

The Engineer must appraise the work it has completed and submit its appraisal to the UCFD for evaluation.

If the Engineer fails to fulfill in a timely and proper manner its obligations, or if the Engineer violates any of the terms of this Contract, the UCFD may withhold any payments to the Engineer for the purpose of setoff until the exact amount of

damages due the UCFD from the Engineer is determined by a court of competent jurisdiction.

If the UCFD improperly cancels the Contract for cause; the cancellation for cause will be converted to a termination for convenience in accordance with the provisions of this Section 3.3.

3.4 Funds Appropriation

If the UCFD Board of Directors does not appropriate funds to continue this Contract and pay for charges hereunder, the UCFD may terminate this Contract at the end of the current fiscal period. The UCFD agrees to give written notice of termination to the Engineer at least thirty (30) days prior to the end of its current fiscal period and will pay to the Engineer all approved charges incurred through the end of such period.

3.5 Audit

The UCFD may audit all of the Engineer's records, calculations, and working documents pertaining to this work at a mutually agreeable time and place.

The Engineer's records (hard copy, as well as computer readable data), and any other supporting evidence necessary to substantiate any claims related to this Contract must be open to inspection and subject to audit and reproduction by the UCFD's authorized representative as necessary to permit evaluation and verification of the cost of the work, and any invoices, change orders, payments or claims submitted by the Engineer or any of his payees. The UCFD's authorized representative must be afforded access, at reasonable times and places, to all of the Engineer's records and personnel throughout the term of this Contract and for a period of 3 years after the final payment.

The Engineer must require all Subcontractors and material suppliers (payees) to comply with the provisions of this section by insertion of these requirements in a written contract between the Engineer and payee. These requirements will apply to all Subcontractors.

If an audit discloses overcharges by the Engineer to the UCFD in excess of 1% of the total contract billings, the actual cost of the UCFD's audit must be reimbursed to the UCFD by the Engineer. Any adjustments and payments made as a result of the audit or inspection of the Engineer's invoices and records will be made within a period of time not to exceed 90 days from presentation of the UCFD's findings to the Engineer.

This audit provision includes the right to inspect personnel records as required by Section 3.22.

3.6 Ownership of Project Documents

All documents, including but not limited to, drawings, tracings, design notes and calculations, special provisions, data compilations, studies, field notes, reports, and estimates, in any format, including but not limited to, written or electronic

media, prepared in the performance of this Contract will remain the property of the UCFD and must be delivered to the Contract Administrator before final payment is made to the Engineer.

When the work detail covers only the preparation of preliminary reports or plans, there will be no limitations upon the UCFD concerning use of the plans or ideas in the reports or plans for the preparation of final construction plans. The UCFD will release the Engineer from any liability for the preparation of final construction plans by others.

3.7 Completeness and Accuracy

The Engineer will be responsible for the completeness and accuracy of its work, including but not limited to, survey work, drawings and sketches, design calculations, special provisions, data compilations, studies, field notes, reports, and estimates, and will correct, at its expense, all errors or omissions which may be disclosed. The cost to correct those errors will be chargeable to the Engineer. Additional construction added to the project will not be the responsibility of the Engineer unless the need for additional construction was created by any error, omission, or negligent act of the Engineer. The UCFD's acceptance of the Engineer's work will not relieve the Engineer of any of its responsibilities.

3.8 Dispute Resolution

All disputes and controversies of every kind and nature between the parties hereto arising out of or in connection with this Contract as to the existence, construction, validity, interpretation or meaning, performance, non-performance, enforcement, operation, breach, continuance, or termination thereof shall, if the dispute or controversy cannot be settled through negotiation, be submitted to binding private arbitration. Any settlement agreement signed by the parties pursuant to the arbitration shall be binding. The prevailing party in the arbitration shall be entitled to receive from the other party reasonable attorneys' fees and reasonable expenses as determined by the arbitrator.

3.9 Successors and Assigns

This Contract will be binding upon the Engineer, its successors and assigns, including any individual, or other entity with or into which the Engineer may merge, consolidate, or be liquidated, or any individual or other entity to which the Engineer may sell or assign its assets.

3.10 Assignment

Services covered by this Contract must not be assigned or sublet in whole or in part without first obtaining the written consent of the Contract Administrator.

3.11 Subcontractors

The Engineer may engage any additional Subcontractors as required for the timely completion of this Contract. If the Engineer subcontracts any of the work required by the Contract, the Engineer remains solely responsible for fulfillment of all the terms of this Contract.

The Engineer will pay its Subcontractors within 7 calendar days of receipt of each progress payment from the UCFD. The Engineer will pay for the amount of the Work performed by each Subcontractor as accepted and approved by the UCFD with each progress payment. In addition, any reduction of retention, if any, by the UCFD will result in a corresponding reduction to Subcontractors who have performed satisfactory work. The Engineer will pay Subcontractors the reduced retention within 14 calendar days of the payment of the reduction of the retention to the Engineer. No Contract between the Engineer and its Subcontractors may materially alter the rights of any Subcontractor to receive prompt payment and retention reduction as provided in this Contract.

If the Engineer fails to make payments in accordance with these provisions, the UCFD may take any of one or more of the following actions and the Engineer agrees that the UCFD may take these actions:

- A. To hold the Engineer in default under this Contract;
- B. Withhold future payments including retention until proper payment has been made to Subcontractors in accordance with these provisions;
- C. Reject all future offers to perform work for the UCFD from the Engineer for a period not to exceed 1 year from the completion date of this project;
or
- D. Terminate this Contract.

3.12 Alterations or Additions to Scope of Services

The total Scope of the Engineering Services to be performed is stated in this Contract. Any services requested outside the scope of work are additional services. The Engineer will not perform these additional services without a written Change Order approved by the UCFD. If the Engineer performs additional services without a Change Order, the Engineer will not receive any additional compensation.

3.13 Modifications

Any amendment or modification of the terms of this Contract must be in writing and will be effective only after approval of all parties to this Contract.

3.14 Conflict of Interest

The Engineer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Engineer, to solicit or secure this Contract, and that it has not paid or agreed to pay any person or persons, other than a bona fide employee working solely for the Engineer any fee, commission, percentage, brokerage fee, gifts or any consideration, contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, UCFD will have the right to annul this Contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of any fee,

commission, percentage, brokerage fee, gift or contingent fee, together with costs and attorney's fees.

The UCFD may cancel any Contract or Agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of the UCFD's departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party to the Contract in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. The cancellation will be effective when written notice from the UCFD is received by all other parties to the Contract, unless the notice specifies a later time (A.R.S. 38-511).

The Engineer will fully reveal in writing any financial or compensatory agreement which it has with a prospective bidder before the UCFD's publication of documents for bidding.

3.15 Force Majeure

Neither party will be responsible for delays or failures in performance resulting from acts beyond their control. These acts will include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

3.16 Taxes

The fee listed in this Contract includes all taxes applicable to the services authorized. The UCFD will have no obligation to pay additional amounts for taxes of any type.

3.17 Advertising

No advertising or publicity concerning the UCFD's use of the Engineer's services will be undertaken without first obtaining written approval of the Contract Administrator. Use of the project in future Statements of Qualifications and/or Proposals is acceptable and does not require written approval from the Contract Administrator.

3.18 Counterparts

This Contract may be executed in one or more counterparts, and each executed duplicate counterpart will possess the full force and effect of the original.

3.19 Entire Agreement

This Contract contains the entire understanding of the parties and no representations or agreements, oral or written, made before its execution will vary or modify the terms of this Contract.

3.20 Arizona Law

This Contract must be governed and interpreted according to the laws of the State of Arizona.

3.21 Equal Employment Opportunity

The Engineer will comply with Executive Order No. 11245, entitled "Equal Employment Opportunity", as amended by Executive Order No. 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60). The Engineer will include the terms of this provision in all contracts and subcontracts for work performed under this Contract, including supervision and oversight.

No Preferential Treatment or Discrimination:

In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the UCFD will not grant preferential treatment to or discriminate against any individual or group on the basis of race, sex, color, ethnicity or national origin.

3.22 Compliance with Federal and State Laws

The Engineer accepts the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. In addition, the Engineer accepts the applicability to it of A.R.S. §34-301 and 34-302. The Engineer will include the terms of this provision in all contracts and subcontracts for work performed under this Contract, including supervision and oversight.

Under the provisions of A.R.S. §41-4401, the Engineer warrants to the UCFD that the Engineer and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Engineer and all its subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the Engineer or any of its subcontractors will be considered a material breach of this Contract and may subject the Engineer or Subcontractor to penalties up to and including termination of this Contract or any subcontract.

The UCFD retains the legal right to inspect the papers of any employee of the Engineer or any subcontractor who works on this Contract to ensure that the Engineer or any subcontractor is complying with the warranty given above.

The UCFD may conduct random verification of the employment records of the Engineer and any of its subcontractors to ensure compliance with this warranty. The Engineer agrees to indemnify, defend and hold the UCFD harmless for, from and against all losses and liabilities arising from any and all violations of these statutes.

The UCFD will not consider the Engineer or any of its subcontractors in material breach of this Contract if the Engineer and its subcontractors establish that they

have complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

The provisions of this Article must be included in any contract the Engineer enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. The Engineer will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The Engineer's failure to assure compliance by all its' subcontractors with the E-Verify Program may be considered a material breach of this Contract by the UCFD.

3.23 Compliance with Americans with Disabilities Act

Engineer acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Engineer will provide the services specified in this Contract in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Engineer agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Engineer, its employees, agents or assigns will constitute a material breach of this Contract.

3.24 Evaluation of Engineer's Performance

The Engineer may be evaluated regarding its performance of this Contract. This evaluation will include, but not be limited to, the following consideration for:

- Completeness
- Accuracy
- Utility Coordination
- Technical Expertise
- Organization
- Appearance of plans (linework, lettering, etc.)
- Working relationship with UCFD staff and others
- Availability
- Communication skills (meetings, correspondence, etc.)

This evaluation will be prepared by the staff and used to evaluate the desirability to proceed with negotiations for additional services.

3.25 Notices

All notices or demands required by this Contract must be given to the other party in writing, delivered by hand or by registered or certified mail at the addresses stated below, or to any other address the parties may substitute by giving written notice as required by this section.

On behalf of the Engineer:

Ryan Weed, P.E., President
Coe and Van Loo II L.L.C.
4550 N. 12th Street
Phoenix, AZ 85014
602-264-6831

On behalf of the UCFD:

Greg Crossman, General Manager
Carefree Water Company
P.O. Box 702
Carefree, AZ 85377
480-488-9100

If hand delivered, Notices are received on the date delivered. If delivered by certified or registered mail, Notices are received on the date indicated on the receipt. Notice by facsimile or electronic mail is not adequate notice.

3.26 Independent Contractor

The services the Engineer provides to the UCFD are that of an Independent Contractor, not an employee, or agent of the UCFD. The UCFD will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

UCFD will not withhold income tax as a deduction from contractual payments. As a result of this, Contractor may be subject to I.R.S. provisions for payment of estimated income tax. Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

3.27 Ineligible Bidder

The preparer of bid specifications is not eligible to submit a bid or proposal on the solicitation for which they prepared the specification, nor is the preparer eligible to supply any product to a bidder or offeror on the solicitation for which they prepared the specification.

3.28 Indemnification

To the fullest extent permitted by law, the Engineer must defend, indemnify and hold harmless the UCFD, the Carefree Water Company, and the Town of Carefree, its agents, representatives, officers, directors, officials and employees against all allegations, demands, suits, actions, claims, damages, losses,

expenses, attorney fees, court costs, cost of appellate proceedings, and all claim adjusting and handling expense arising out of any negligent or intentional acts, actions, errors, or omissions to the extent caused by the Engineer. The Engineer is defined as the Engineer, its successors, assigns and guarantors, any subcontractor or anyone directly or indirectly employed by the Engineer or subcontractor or anyone for whose acts the Engineer or subcontractor may be liable and any injury or damages claimed by any of the Engineer's and subcontractor's employees.

Insurance provisions in this Contract are separate and independent from the indemnity provisions of this section and will not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this section must not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.0 Insurance

A current Acord Certificate is acceptable.

Failure to provide an appropriate Certificate of Insurance will result in rejection of your certificate and delay in Contract execution.

4.1 Insurance Representations and Requirements

- A. General: The Engineer agrees to comply with all applicable Town ordinances and state and federal laws and regulations.

Without limiting any obligations or liabilities of the Engineer, the Engineer must purchase and maintain, at its own expense, the required minimum insurance with insurance companies duly licensed or approved to conduct business in the State of Arizona and with an A.M. Best's rating of B++6 or above with policies and forms satisfactory to UCFD. Failure to maintain insurance as required may result in cancellation of this Contract at the UCFD's option.

- B. No Representation of Coverage Adequacy: By requiring insurance, UCFD does not represent that coverage and limits will be adequate to protect the Engineer. The UCFD reserves the right to review any and all of the insurance policies and endorsements cited in this Contract but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements in this Contract or failure to identify any insurance deficiency will not relieve the Engineer from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Contract.
- C. Coverage Term: The Engineer must maintain all required insurance in full force and effect until all work or services are satisfactorily performed and accepted by the UCFD, unless specified otherwise in this Contract.
- D. Claims Made: If any required insurance policies are written on a "claims made" basis, coverage must extend for 3 years past completion and

acceptance of the work or service. The Engineer must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for the 3 year period.

- E. Policy Deductibles and or Self Insured Retentions: The required policies may provide coverage which contain deductibles or self-insured retention amounts. The Engineer is solely responsible for any deductible or self-insured retention amount and the UCFD, at its option, may require the Engineer to secure payment of the deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.
- F. Use of Subcontractors: If any work is subcontracted in any way, the Engineer must execute a written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the UCFD requires of the Engineer in this Contract. The Engineer is responsible for executing the Contract with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.
- G. Evidence of Insurance: Before commencing any work or services under this Contract, the Engineer must furnish the Contract Administrator with Certificate(s) of Insurance, or formal endorsements issued by the Engineer's insurer(s) as evidence that policies are placed with acceptable insurers and provide the required coverages, conditions, and limits of coverage and that the coverage and provisions are in full force and effect. If a Certificate of Insurance is submitted as verification of coverage, the UCFD will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Contract. If any of the required policies expire during the life of this Contract, the Engineer must forward renewal Certificates to the UCFD within 10 days after the renewal date containing all the necessary insurance provisions.

Certificates shall specifically cite the following provisions:

- 1. The UCFD, Carefree Water Company, and Town of Carefree, its agents, representatives, officers, directors, officials and employees are named as Additional Insureds under the following policies:
 - a) Commercial General Liability
 - b) Auto Liability
 - c) Excess Liability - Follow Form to underlying insurance as required.
- 2. The Engineer's insurance must be primary insurance for all performance of work under this Contract.
- 3. All policies, except Professional Liability insurance if applicable, waive rights of recovery (subrogation) against the UCFD, Carefree Water Company, and Town of Carefree, its agents, representatives, officers, directors, officials and employees for any claims arising out of work or services performed by the Engineer under this Contract.

4. If the Engineer receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be Engineer's responsibility to provide prompt notice of same to the UCFD, unless such coverage is immediately replaced with similar policies.

4.2 Required Coverage

- A. Commercial General Liability: The Engineer must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 General Aggregate Limit. The policy must cover liability arising from premises, operations, independent contractors, products-completed operations, and personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this section, the Excess insurance must be "follow form" equal or broader in coverage scope than the underlying insurance.
- B. Professional Liability: The Engineer must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the Engineer, or anyone employed by the Engineer, or anyone for whose acts, mistakes, errors and omissions the Engineer is legally liable, with a liability insurance limit of \$2,000,000 each claim and \$5,000,000 all claims. If the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for 3 years past completion and acceptance of the work or services, the Engineer must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a 3 year period.
- C. Vehicle Liability: The Engineer must maintain Business Automobile Liability insurance with a limit of \$1,000,000 each accident on the Engineer's owned, hired, and non-owned vehicles assigned to or used in the performance of the Engineer's work or services under this Contract. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than the underlying insurance.
- D. Workers Compensation Insurance: The Engineer must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the Engineer's employees engaged in the performance of work or services under this Contract, and must also maintain Employers' Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$500,000 disease policy limit.

5.0 Software Licenses – Not Used

6.0 Severability and Authority

6.1 Severability

If any term or provision of this Contract is found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract will remain in full force and effect and the term or provision will be considered to be deleted.

6.2 Authority

Each party warrants that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each party has been properly authorized and empowered to enter into this Contract. Each party acknowledges that it has read, understands, and agrees to be bound by the terms and conditions of this Contract.

7.0 Request For Taxpayer I.D. Number & Certification I.R.S. W-9 Form

Upon request, the Contractor shall provide the required I.R.S. W-9 FORM which is available from the IRS website at www.IRS.gov under their forms section.

AUTHORIZATION

In witness whereof, the parties hereto have executed this Contract, the effective date of which is indicated at the beginning of this document.

COE AND VAN LOO II, L.L.C
4550 N. 12th Street
Phoenix, AZ 85014

**TOWN OF CAREFREE, ARIZONA
UTILITIES COMMUNITY
FACILITIES DISTRICT**
8 Sundial Circle
P.O. Box 740
Carefree, AZ 85377

by: **CVL Consultants, Inc., Member**

by: Ryan Weed, P.E.
President

Greg Crossman
Contract Administrator

Les Peterson
Chairman of the Board & President

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
	PHONE (A/C. No. Ext):	Fax (A/C. No):
	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID#:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A:	
	INSURER B:	
INSURED	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	
	NAIC #	

THIS MUST MATCH EXACTLY TO THE CONTRACTOR NAME AND INFORMATION AS LISTED IN THE CONTRACT OR SCOPE OF WORK.

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT. TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INS LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR	<input type="checkbox"/>	<input type="checkbox"/>				EACH OCCURENCE	\$
							DAMAGE TO RENTED PREMISES (Ea Occurrence)	\$
							MEDICAL EXP (Any One Person)	\$
							PERSONAL & ADV INSURY	\$
							GENERAL AGGREGATE	\$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	<input type="checkbox"/>	<input type="checkbox"/>				COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per Accident)	\$
	Umbrella Liab <input type="checkbox"/> OCC Excess Liab <input type="checkbox"/> CLAIMS MADE	<input type="checkbox"/>	<input type="checkbox"/>				EACH OCCURENCE	\$
	DEDUCTIBLE RETENTION \$						AGGREGATE	\$
	WORKERS COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N <input type="checkbox"/> (Mandatory in NH) if yes, describe under SPECIAL PROVISIONS BELOW:	N/A	<input type="checkbox"/>				WC STATU-TORY LIMITS	OTHER
							EL EACH ACCIDENT	\$
							EL DISEASE . POLICY LIMIT	\$
							EL DISEASE . EA EMPLOYEE	\$

Description of Operations/Locations/Vehicles (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Town of Carefree, its representatives, agents and employees, is an Additional Insured under Commercial General Liability and Auto Liability. All cited insurance shall be primary coverage and waive rights of recovery (subrogation), including Workers Compensation, against Town of Carefree.

CERTIFICATE HOLDER	CANCELLATION
Town of Carefree Attn: Gary Neiss, Town Administrator P.O. Box 740 Carefree, AZ 85377	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

EXHIBIT A

SCOPE OF WORK

CAREFREE WATER CONSOLIDATION PROJECT

FINAL DESIGN SERVICES

The Engineer shall perform final engineering design services (with the final product being 100% plans, specifications, and cost estimates) to extend water service to "Neighborhoods A, B, and C" (also known as the west side of Carefree). These neighborhoods are within the Town of Carefree limits but are currently served potable water by Cave Creek. Engineering plans will consist of improvements needed to disconnect these areas from the Cave Creek water system and reconnect them to the Carefree Water Company system, and all supplemental and appurtenant systems that are required to provide an acceptable level of potable service and fire protection, as applicable, to these neighborhoods.

The Engineer will be an integral member of a team-based approach for delivery of this project. Team members will include the UCFD, the Carefree Water Company, the Town of Carefree (all three generally referred to as "Carefree"), the Engineer, a Construction Manager at Risk (CMAR), an Owner's Representative, and other stakeholders as appropriate. Being a team-based delivery approach, the Engineer will support the efforts of others on the team in a coordinated manner.

Preliminary engineering work produced by the Engineer up to this point has included the following six (6) sets of 30% design plans:

- Southwest Carefree Water Improvements (Neighborhood A)
- West Carefree Water Improvements (Neighborhood B)
- Northwest Carefree Water Improvements (Neighborhood C)
- Boulders Water Storage Reservoir
- Booster Pump Station Site Improvements
- Tom Darlington to Carefree Highway – 12" Water Main Plans

The work under this Contract will consist of performing the following generalized tasks as outlined below:

Task 1 - Final Design Services

- Project Management, Meetings and Workshops
- Field Review
- Utility Coordination
- Potholing Coordination
- Basis of Design Report
- 60% Plans and Specifications
- 90% Plans and Specifications
- Final (100%) Plans and Specifications
- Client & CMAR Coordination
- Input, guidance, and review of CMAR Schedule
- Input, guidance, and review of CMAR Phasing, Work Planning, and Advanced Procurement
- Input, guidance, and review of CMAR GMPs
- Water Storage Reservoir Design (including supplemental Scottsdale feed line and metering)
- Electrical Engineering

- Structural Engineering
- Reservoir Landscape Architecture Design
- Water Reservoir Site Hydrology
- Quality Assurance/Quality Control (QA/QC) Reviews
- Permitting
- Town of Cave Creek Coordination

Task 2 - Final Design Services Allowances

- Landscape Architecture and Renderings
- Legal Descriptions
- Public Outreach Support
- Survey Collection of Bluestakes
- Field Staking of Pipeline Alignments

Task 3 - Construction Phase Services

- Project Management and Meetings
- NEC Coordination
- Shop Drawings, RFIs and O&M Manuals
- Site Visits & Observations
- Punchlists
- Testing and Commissioning
- As-Builts
- Engineer of Record and AOC

TASK 1 – FINAL DESIGN SERVICES

General Task Description

Final design services will include close coordination, cooperation, and partnering with Carefree and the CMAR contractor to develop final design documents. Services will include preparing 60%, 90%, and Final (100%) engineering plans and specifications, along with review of the CMAR's work effort and GMP(s). Final design services will proceed expeditiously to meet the design document completion requirements of Carefree for approvals and permitting of all designs. During the design, any items identified that could impact the project schedule or budget will be brought to Carefree's attention to discuss possible mitigation approaches.

Task 1.001 Project Management, Meetings and Workshops

Lump Sum \$34,848

Provide overall internal and external project management, administration, and coordination of the design team including any subconsultants. Specific work items include the management and maintenance of the project schedule, records, correspondence, quality control activities, and communication with Town and Water Company staff, and the CMAR Contractor.

Participate in and/or coordinate project kickoff, progress meetings and workshops; including the preparation of presentation materials and minutes documenting the discussion and results from each meeting. It is anticipated project meetings will occur as outlined below. Meetings are proposed weekly during design and every other week during permit reviews. It is also anticipated there will be three, full day workshops with Carefree staff and CMAR contractor. Workshops are anticipated prior to and after the 60% design and after the 90% submittal and review. At least one of these workshops is expected to focus

on Value Engineering and will be facilitated by the CMAR Contractor. The following project coordination meetings will be required (additional meetings are required under other tasks):

- One (1) Kickoff Meeting in Carefree or held remotely
- Progress Meetings
 - Weekly for thirty (30) weeks through Design and Design Review (30 meetings)
 - Every other week for eight (8) weeks (4 meetings)
 - Progress Meetings shall be held by conference call
- Workshops – In Carefree or held remotely
 - Prior to and after the 60% design and after the 90% submittal and review.

Task 1.002 Field Review

Lump Sum Fee: \$15,360

Utilizing the 30% plans, conduct a field review of the pipeline alignments, pump stations and reservoir site. Field reviews should be conducted prior to potholing, but may be conducted post potholing. The intent of the field review is to identify constructability issues, opportunities for cost savings and help refine the subsequent design submittals.

Task 1.003 Utility Coordination

Lump Sum \$4,128

Coordinate with public and private utilities within the project limits to identify potential conflicts with utility facilities the proposed design. Provide design plans to all utility companies for their review and to obtain utility clearance signatures. Any utility clearances not received shall be brought to the attention of the CMAR Project Manager, UCFD Contract Administrator, and designated representative. Anticipated utility coordination shall include, but shall not be limited to, the following utilities:

- Arizona Public Service (APS) – Electric
- Southwest Gas – Gas
- Cox Communications – Communications
- CenturyLink – Communications
- Crown Castle – Communication
- Black Mtn. Sewer Corp. dba Liberty Utilities – Sewer
- Carefree Water Company – Water
- Town of Cave Creek – Water and Sewer
- City of Scottsdale – Water, Sewer, Reclaimed (as applicable)

Engineer shall coordinate new utility service or upgraded utility service to all sites requiring such.

Task 1.004 Potholing Coordination

Lump Sum \$9,852

Coordinate with the CMAR Contractor and Carefree to identify and delineate pothole locations. Incorporate pothole data into the existing design documents.

Task 1.005 Basis of Design Report **Lump Sum \$10,116**

Prepare a Basis of Design report suitable, in final form, for submittal to MCESD for permit acquisition. The report shall identify and document the design approach, modeling results, results of the field investigations, and the individual task results. The report shall also document the criteria and standards used to design the project, phasing options, and construction challenges. The report will be updated for the 60%, 90% and Final (100%) submittals.

Task 1.006 Plans and Specifications **Lump Sum \$217,380**

Provide phased plan and specification submittals at the 60%, 90%, and Final (100%) stages. Plans and specifications will be developed in cooperation with the CMAR Contractor and Carefree. Technical specifications will be prepared for the disciplines listed below. Specifications will utilize an agreed upon format such as CSI, MAG Supplemental, etc. Plans will consist of the following discipline drawings:

1. General
2. Civil
3. Mechanical
4. Structural
5. Landscape Architecture
6. Electrical
7. Instrumentation

Task 1.007 Input, Guidance, and Review of CMAR Schedule **Lump Sum \$6,140**

Provide review, input, and guidance on the CMAR's pre-construction services and construction schedules as they are developed. Reviews will consist of assessing reasonableness, constructability, phasing, risks to completion, along with evaluation of fast-track opportunities.

Task 1.008 Input, Guidance, and Review of CMAR Phasing & Work Planning, and Advance Procurement **Lump Sum \$20,848**

Work with Carefree and the CMAR Contractor to develop a detailed phasing and work plan for the disconnect/reconnect and reintegration of the Carefree and Cave Creek distribution systems. Development of the phasing and work plan will require close coordination with the Town of Cave Creek. The plan must consider the impact to existing operations of both Carefree's and Cave Creek's water systems. Work will include hydraulic modeling of phased construction. The plan will include precursor and time sensitive tasks/improvements. The phasing and work plan along with permit acquisition and long lead equipment procurement, will be critical to preparing detailed phasing, work planning, and schedules for the construction.

Task 1.009 Input, Guidance, and Review of CMAR GMPs **Lump Sum \$12,012**

Work with Carefree and CMAR Contractor to determine if multiple GMPs are beneficial to the project and if so, how the GMPs should be broken out. Multiple GMPs are typically beneficial if they save time or money, or limit impacts. Multiple GMPs will be stand alone and are not normally approved until the CMAR has demonstrated the project can be constructed within budget. Conduct a meeting with CMAR Contractor and Carefree to review any GMP proposals and all supporting documentation. All Assumptions and Clarifications should be provided, as well as a description and breakdown of all allowances. After the meeting and subsequent review, provide Carefree with an evaluation of the CMAR contractor GMP(s).

Task 1.010 Reservoir Design **Lump Sum \$75,938**

Prepare detailed drawings and technical specifications for a 300,000 gallon reservoir. The previously prepared 30-percent plans will be expanded and refined. The detailed drawings shall include title sheet;

symbols and abbreviations; general notes; Carefree Water Company material specifications; general details; reservoir details; site plan and piping/valve details; reservoir sections; THM removal plan and details; tablet feed chlorination plans and details, retaining wall plans, sections, and details; vault plans, sections, and details; site grading; access drive, site landscaping; chlorine feed building plan, section, and details; electrical enclosures, sections, and details; and electrical/instrumentation plan, details, and notes. The reservoir will be screened with a berm and landscaping per the current design.

General work under this Task shall include attending the following meetings:

- Three (3) meetings with the Boulders HOA representatives. It is anticipated that one of these meetings will include adjacent Boulders neighborhood residents.

Task 1.011 Electrical Engineering Services

Lump Sum \$36,700

Provide electrical engineering services to complete the electrical design of upgrades to 4 water booster pump stations and a new 300,000 gallon storage reservoir. Provide Technical Electrical Specifications including Arc Flash specification, Electrical and controls drawings, Process and Instrumentation diagrams for each site, Electrical site plans showing the electrical equipment, motors, instruments with conduit routing to all devices. Site lighting as required will also be included on the plans.

The following details the design scope of work at each site.

- Boulders Water Storage Reservoir.
 - Complete the design to include a final single line diagram for the power distribution with panel schedules, conduit schedules and load calculations.
 - Complete the Reservoir site plan with minimal site lighting. Necessary lighting shall include proper screening and shall be directed away from adjacent neighborhoods.
 - Provide the design for the monitoring control panel (RTU) including schematics and panel details. Direction from Carefree on the requirements for monitoring is required.
 - Provide power for a THM blower (240V single phase) and tablet chlorinator.
 - Provide back-up power generation adequate to run the site during emergency situations.
- All Booster Pump Station Sites
 - Provide cellular based monitoring (or comparable) and alarm capabilities for basic parameters (pumps running, pressure, flow, etc.) that includes web-based interface, dial-out alarms, and potential connection to existing Carefree SCADA software.
- Ocotillo Ridge #2 Booster Pump station.
 - Complete the design to include a final single line diagram to show the existing service with the addition of one new booster pump with new VFD pump control panel.
 - Provide design for the new VFD, including schematics and panel elevation, with possible interface with the existing booster pump control panel.
 - Possible modifications to the existing booster pump control panel for the operation of the new booster pump.
 - Possible addition of an alarm or monitoring system for the facility. Design for this will include schematic diagrams, connections and control panel details with bill of material.
 - Provide wiring compatible for connecting the site to Carefree's existing portable emergency back-up generator.

- Hawksnest #2 BPS.
 - Complete the design for a new service entrance section with manual transfer switch and distribution panel 240V single phase to re-power the existing booster pump control panel to utilize an existing Add-A-Phase converter to convert to three phase power.
 - Possible addition of an alarm or monitoring system for the facility. Design for this will include schematic diagrams, connections and control panel details with bill of material.
 - Complete the electrical site plan.
 - Provide wiring compatible for connecting the site to Carefree’s existing portable emergency back-up generator.
- Peaceful Place BPS.
 - Complete the design of a new 480VAC three phase 200 amp service with automatic transfer switch, standby generator, 480V distribution panel, 240/120V distribution panel, new starter for an existing air compressor and a new booster pump control panel.
 - Designs will include the single line diagrams, conduit schedules, schematic diagrams for the booster pump control panel and the compressor starter, and a monitoring control panel, and detailed control panel designs.
 - Complete the electrical site plan.
- Sentinel Rock BPS.
 - Complete the design of a new 480VAC three phase 200 amp service with automatic transfer switch, standby generator, 480V distribution panel, 240/120V distribution panel, new starter for an existing air compressor and a new booster pump control panel.
 - Designs will include the single line diagrams, conduit schedules, schematic diagrams for the booster pump control panel and the compressor starter, and a monitoring control panel, and detailed control panel designs.
 - Complete the electrical site plan.

Task 1.012 Structural Engineering Services

Lump Sum \$28,160

Provide structural calculations, drawings, and specifications for the work at five different sites. Structural effort will include:

- **Sentinel Rock Booster Pump Station**
 - Extension of perimeter wall, including retaining wall and one sliding gate.
 - Concrete foundations for emergency generator and hydropneumatic tank.
 - Concrete foundation and shade structure for electrical equipment.
 - Concrete pads for pumps and miscellaneous equipment.
 - Light pole foundation.
- **Peaceful Place Booster Pump Station**
 - Extension of perimeter wall.
 - Concrete foundations for emergency generator and hydropneumatics tank.
 - Concrete foundation and shade structure for electrical equipment.
 - Concrete pads for pumps and miscellaneous equipment.
 - Light pole foundation.

- **Hawksnest #2 Booster Pump Station**
 - Concrete foundations for hydropneumatics tank.
 - Concrete foundation and shade structure for electrical equipment.
 - Concrete pads for pumps and miscellaneous equipment.
 - Light pole foundation.
- **Ocotillo Ridge #2 Booster Pump Station**
 - Wrought iron-type fence.
 - Concrete foundation and shade structure for electrical equipment.
 - Concrete pads for pumps and miscellaneous equipment.
- **Boulders Water Storage Reservoir**
 - Pre-stressed storage reservoir (specification only).
 - Concrete discharge/overflow box.
 - Control valve vaults.
 - Utility area wing and retaining walls and equipment pads.

Task 1.013 Reservoir Landscape Architecture

Lump Sum \$19,710

- **Meetings, Site Visit, and Coordination**
 - Client, government, consultant, neighborhood or other coordination for the following scope of work. Includes one (1) kick-off meeting, and four (4) client meetings for progress design review.
 - Preparation of, our response to, meeting minutes, project schedules and other correspondence.
 - Any additional time that may be required for meetings and coordination, or as requested by Client will be billed in addition to this contract and on a time and materials basis.
- **Plant Inventory and Salvage Plan**
 - Visit the project site to inventory and evaluate the existing plant material and make determinations on salvageability.
 - Prepare one (1) native plant inventory and salvage plan of the existing site, in conformance with Carefree requirements, for submittal and approval with the final landscape documents.
 - Plans will include:
 - Details on the salvage and stockpile of the native “desert floor” material and boulders to be reused on the site
 - Fencing protection details for existing plantings to remain.
- **Final Planting and Revegetation Plans**
 - Prepare one (1) set of final planting and revegetation construction documents for the project.
 - Construction documents will comply with Carefree requirements, design guidelines, submittal checklists, and stipulations. Construction documents will include the following:
 - General planting notes, plant materials list

- Hydroseed revegetation plans, and seed list
 - Planting plans, prepared at scale of 1"=20'-0"
 - Planting installation and Hydroseed details and specifications.
 - Coordinate with other project consultants on the following planting items:
 - Tree and planting conflicts with utility locations, and drainage structures.
 - Planting within site visibility easements and utility easements
 - Provide Client with up to two (2) progress reviews prior to submittal.
 - Submit plans and process to approval with Carefree. Address Carefree redlines and comments, and provide written responses.
- **Final Landscape Irrigation Plans**
 - Prepare one (1) set of final irrigation construction documents for the on-site and off-site portions of the project.
 - Construction documents will comply with Carefree requirements, design guidelines, submittal checklists, and stipulations. Construction documents will include the following:
 - General irrigation notes, irrigation materials list
 - Irrigation plans, prepared at scale of 1"=20'-0".
 - Irrigation installation details and specifications on plan sheets
 - Unless directed otherwise by Carefree, or in conflict with prior approved documents, design elements will include the following:
 - Low water use drip emitters, and water conservation strategies.
 - Passive rainwater harvesting strategies will be discussed with Client and included in the design where feasible.
 - Active rainwater harvesting strategies may be discussed with Client.
 - Coordinate with other project consultants on the following irrigation items:
 - Irrigation sleeving locations, quantities, and sizes
 - Irrigation connection points and water pressures with the civil engineer.
 - Provide Client with up to two (2) progress reviews prior to submittal.
 - Submit plans and process to approval with Carefree. Address Carefree redlines and comments, and provide written responses.
 - **Fence and Gates Plans and Details**
 - Prepare one (1) set of fence and gate plans for the on-site and off-site portions of the project. Construction documents will include the following:
 - General notes, legends, keynotes, and schedule of materials related to the construction of the fences and gates outlined in this scope of work.
 - Hardscape plans, prepared at 1"=20'-0" scale.
 - Non-structural details for the fences and gates outlined in this scope of work.
 - Design elements will include the following:

- Commercial grade security wrought iron fence enclosure
- Fall protection railing
- Manually operated driveway gates
- Provide Client with up to two (2) progress reviews prior to submittal.
- **Preconstruction Contractor Assistance**
 - Coordinate with the selected contractor during the design process to facilitate understanding of the design intent.

Task 1.014 Reservoir Hydrology

Lump Sum \$ 10,704

Prepare drainage analyses, assessments, and calculations as follows:

- Data Collection/Review - Obtain necessary data to perform subsequent tasks, including aerial mapping, FIS studies, geotechnical reports, and drainage studies.
- Hydrology - Delineate upstream watershed area.
- Prepare drainage calculations for onsite and potential offsite flows. Manage flows through the site relative to the proposed reservoir improvements.
- Prepare grading and drainage suitable for on and offsite flows for the reservoir site.

Task 1.015 QC Reviews

Lump Sum \$17,306

All deliverables will be reviewed by a senior discipline lead. QC review comments will be addressed before being submitted to ensure the overall technical correctness of the deliverables.

Task 1.016 Permitting

Lump Sum \$6,816

Prepare permit applications and submittal packages for the entities having jurisdictional authority. Permit fees will be billed to Carefree as an expense.

- Town of Carefree
- Maricopa County Environmental Services Department (including water quality modeling assistance for increased service area size – e.g. disinfection by-product (DBP) monitoring, bacteriological site sampling plan, etc.)
- Maricopa Department of Transportation
- City of Scottsdale
- Town of Cave Creek
- Arizona Public Service

Task 1.017 Town of Cave Creek Coordination

Lump Sum \$18,108

Support Carefree in coordination with Town of Cave Creek. Coordination items include plans, exhibits and information regarding planning for disconnects, reconnects and reintegration of water mains. It is anticipated plan review meetings will be conducted with Cave Creek, Carefree, the CMAR Contractor and CVL. These meetings could occur after the kickoff meeting, after the 60% submittal and after the 90% submittal. In addition, field meetings are anticipated to review all locations where the disconnects,

reconnects and reintegration of water mains will occur. Those field review meetings are estimated to take three (3) days. The following Cave Creek coordination meetings are anticipated:

- One (1) Kickoff Meeting in Cave Creek or held remotely
- Two (2) Design Planning meetings in Cave Creek or held remotely
- Field review meetings at the interconnect locations.

TASK 2 – FINAL DESIGN SERVICES ALLOWANCES

General Task Description

The following task/subtasks may be provided as additional services to be requested by Carefree as part of the project. Allowances will only be utilized with prior written authorization from Carefree.

Task 2.001 Landscape Architecture and Renderings T&M NTE W/O Prior Approval \$5,000

Support Carefree by attending meetings and preparing architectural renderings for the 300,000 gallon storage reservoir at the Boulders. Estimate includes attending up to two (2) meetings and preparing up to two (2) architectural renderings.

Task 2.002 Legal Descriptions T&M NTE W/O Prior Approval \$970 Each

Prepare written Legal Descriptions on a per each cost basis with attached 8 ½" x 11" exhibits in support of project needs as requested by Carefree. Legal description exhibits will depict the boundary of the subject easement in relation to the property boundary and shall be suitable for recordation with the Maricopa County Recorder's Office.

Task 2.003 Public Outreach Support T&M NTE W/O Prior Approval \$5,000

Attend meetings and preparing engineering exhibits in support of Carefree's public outreach efforts. Estimated attendance at up to four (4) meetings.

Task 2.004 Survey - Topo Pothole Bluestake Markings T&M NTE W/O Prior Approval \$15,000

When potholes are requested, utility companies within the vicinity of the pothole will mark their utilities at the surface. This is typically done with paint or plastic whisksers. This information will be helpful in identifying utilities that should be revised in the plans. Survey will collect Bluestake markings data collection and plan verification.

Task 2.005 Survey - Stake Pipeline Alignment T&M NTE W/O Prior Approval \$10,000

Prior to field review of the plans, it may be helpful to have the proposed pipeline alignment staked in the field. This allowance is for staking of portions of pipeline alignment.

TASK 3 CONSTRUCTION PHASE SERVICES

Task 3.001 Project Management and Meetings T&M TBD

Task 3.002 NEC Coordination T&M TBD

Task 3.003 Shop Drawings, RFIs and O&M Manuals T&M TBD

Task 3.004 Site Visits & Observations	T&M TBD
Task 3.005 Preliminary and Final Punchlists	T&M TBD
Task 3.006 Testing and Commissioning	T&M TBD
Task 3.007 As-Builts	T&M TBD
Task 3.008 Engineer of Record and AOC	T&M TBD

01-900 Reimbursable Expenses **T&M**

Charges for prints, deliveries, mileage, computer services, reproductions, photo work, fire hydrant flow testing, and other fees not paid directly by the client will be billed on a time and material basis in accordance with the following:

- Mileage - \$2000
- Plots Full Size Color - \$1500
- 11x17 B&W Copies - \$1200
- Courier Service - \$500

ASSUMPTIONS/EXCLUSIONS

In addition to assumptions and exclusions defined within this proposal, the following assumptions/exclusions were made in preparing this proposal:

- The Town of Cave Creek (TOCC) will cooperate with the team in a timely manner by providing documents, site access, sharing staff institutional knowledge, providing utility locations and Bluestaking, and attending field/site meetings. Schedule impacts or delays caused by the TOCC or other entities beyond the control of the team may extend the schedule or necessitate scope modification accordingly.
- Permit fees will be passed through by CVL and will be paid by Carefree.
- All items not specifically included within the scope of this proposal are excluded.
- Construction services are listed in this proposal, but associated fees will be prepared in a subsequent proposal.

PROPOSED SUBCONSULTANTS

The following subconsultants may perform work under this Scope of Work:

- Burgess and Niple – Civil & Mechanical Engineering Services - Boulders 300,000 Gallon Water Storage Reservoir
- Jensen Engineering – Electrical Engineering Design – Booster Pump Station Sites and Reservoir Site
- Heerup Engineering – Structural Design Services – Booster Pump Station Sites and Reservoir Site

Phase	Task Description	Project Director W	Project Manager	Sr. Project Engineer	Sr. Project Manager	WWW Staff Engineer	BJT JV	Senior Designer	Senior Designer	EIT I	APM	Hydro Staff Engineer	Project Director LA	Project Designer	Senior LA	LAIT II	LAIT IV	Staff LA	Senior Survey	Survey Crew	Clerical Admin	Total Labor Hours	Outside Consultant Fees	Total Fee	
		\$105	\$168	\$147	\$179	\$132	\$126	\$126	\$126	\$105	\$142	\$132	\$195	\$116	\$147	\$111	\$126	\$132	\$163	\$163	\$81				
01-000	TASK 1 - Final Design Services																								
01-001	Project Management, Meetings and Workshops	96	96																			192	\$	\$ 34,848	
01-002	Field Review	40	24	24																		88	\$	\$ 15,360	
01-003	Utility Coordination					16																28	\$	\$ 4,128	
01-004	Permitting Coordination	4	12					40													24			\$ 9,852	
01-005	Basis of Design Report	4	16	24		16		8														68	\$	\$ 10,116	
01-006	Plans and Specifications																							\$	\$
	60% Plans and Specifications	16	80	120		40	40	350														996	\$	\$ 132,720	
	90% Plans and Specifications	8	24	40		160	150	150														532	\$	\$ 69,432	
	Final (100%) Plans and Specifications	4	12	16		4	40	40														112	\$	\$ 15,228	
01-007	Input, Guidance, and Review of CMAP Schedule	8	16	8	4																	36	\$	\$ 6,140	
01-008	Input, Guidance, and Review of CMAP Phasing & Work Planning, and Advance Procurement	16	60	8	8			40														132	\$	\$ 20,848	
01-009	Input, Guidance, and Review of CMAP GMPs	10	12	24	12	48		24														84	\$	\$ 12,012	
01-010	Reservoir Design								24													54	\$	\$ 67,516	
01-011	Electrical Engineering																							\$	\$ 75,898
01-012	Structural Engineering																							\$	\$ 36,700
01-013	Reservoir Landscape Architecture																	6						\$	\$ 28,160
01-014	Reservoir Hydrology														42	108	6	6				162	\$	\$ 19,710	
01-015	QC Reviews	30	4		64	16		12														76	\$	\$ 10,704	
01-016	Permitting																					94	\$	\$ 17,306	
01-017	Town of Cave Creek Coordination	36	40	16				16													16			\$	\$ 6,816
02-000	TASK 2 - Final Design Services Allowances																							\$	\$ 5,000
02-001	Landscape Architecture and Renderings																							\$	\$ 5,000
02-002	Legal Descriptions																							\$	\$ 5,000
02-003	Public Outreach Support																							\$	\$ 5,000
02-004	Survey - Topo Pot-hole Blue-stake Markings																							\$	\$ 15,000
02-005	Survey - Stake Pipeline Alignment																							\$	\$ 10,000
03-000	TASK 3 - Construction Phase Services																							\$	\$
03-001	Project Management and Meetings																							\$	\$
03-002	NEC Coordination																							\$	\$
03-003	Shop Drawings, RFIs and O&M Manuals																							\$	\$
03-004	Site Visits & Observations																							\$	\$
03-005	Preliminary and Final Punchlists																							\$	\$
03-006	Testing and Commissioning																							\$	\$
03-007	As-Built																							\$	\$
03-008	Engineer of Record and AOC																							\$	\$
	TOTAL LABOR HOURS	272	416	280	96	136	200	596	640	60	60				42	108	6	6			40	2,888			
	TOTAL LABOR FEES	\$ 53,040	\$ 69,888	\$ 41,160	\$ 17,184	\$ 17,952	\$ 25,200	\$ 75,096	\$ 80,640	\$	\$ 8,520	\$	\$	\$	\$	\$ 6,174	\$ 11,888	\$ 756	\$ 792	\$	\$	\$ 3,360	\$ 411,750	\$	\$ 584,126
01-000	Reimbursable Expenses																							\$	\$ 5,200
	GRAND TOTAL	\$ 53,040	\$ 69,888	\$ 41,160	\$ 17,184	\$ 17,952	\$ 25,200	\$ 75,096	\$ 80,640	\$	\$ 8,520	\$	\$	\$	\$ 6,174	\$ 11,888	\$ 756	\$ 792	\$	\$	\$ 3,360	\$ 411,750	\$	\$ 589,326	

EXHIBIT B

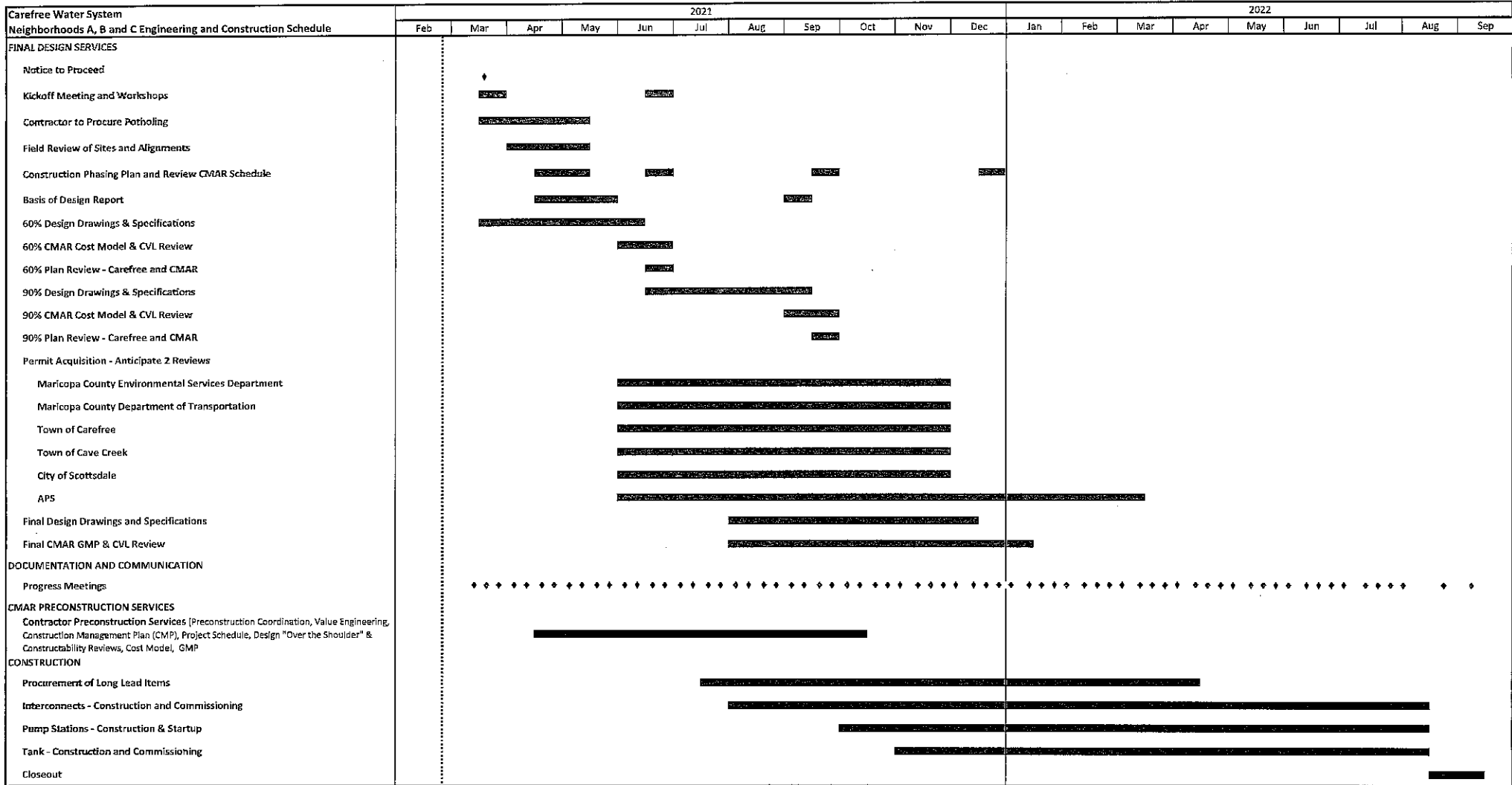


EXHIBIT C