



NOTICE OF REGULAR MEETING OF THE TOWN COUNCIL

Mayor Gerry M. Friedel

Vice Mayor Gayle Earle

Councilmember Brenda J. Kalivianakis

Councilmember Hannah Larrabee

Councilmember Peggy McMahon

Councilmember Allen Skillicorn

Councilmember Rick Watts

TIME: 5:30 PM - REGULAR MEETING
DOORS OPEN 15 MINUTES PRIOR TO THE START OF THE MEETING
WHEN: TUESDAY, JUNE 16, 2026
WHERE: FOUNTAIN HILLS COUNCIL CHAMBERS
16705 E. AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, ARIZONA

Councilmembers of the Town of Fountain Hills will attend either in person or by telephone conference call; a quorum of the Town's various Commission, Committee or Board members may be in attendance at the Council meeting.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

PARTICIPATION IN PUBLIC MEETINGS

Request to Comment Cards - To speak or submit written comments, a **Request to Comment** card is required. **Cards must be completed and submitted to the Town Clerk before the meeting begins. Late or incomplete cards will not be accepted.** A separate card is required for each agenda item.

Agenda Items (Consent or Regular) - Request to Comment cards must include the **agenda item number**, whether the speaker is **FOR** or **AGAINST** the item, and whether the individual wishes to speak or submit written comments.

Online Request to Comment cards may be submitted for regular agenda items only to either provide written comments or request to speak at the meeting. **Online submissions must be received by 12:00 PM the day before the meeting** at: <https://www.fountainhillsaz.gov/publiccomment>. Online comments are shared with the Town Council.

Call to the Public requests are accepted in person only. Request to Comment cards must be submitted prior to the meeting commencing. **Online submissions are not accepted for Call to the Public.**

Speaking Rules - Speakers may speak only when recognized by the Presiding Officer and are limited to **three (3) minutes**. All comments must be directed through the Presiding Officer, not to individual Councilmembers or staff.

Request to Comment cards and submitted information are public records subject to public disclosure.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Town Council, and to the general public, that at this meeting, the Town Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the Town's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

2. INVOCATION

A Moment of Silence

3. ROLL CALL

4. STATEMENT OF PARTICIPATION

Anyone wishing to address the Council regarding items listed on the agenda or during Call to the Public must completely fill out a Request to Comment card located in the back of the Council Chambers and hand it to the Town Clerk prior to the start of the meeting. Once the meeting has started, late requests to speak cannot be accepted. When your name is called, please approach the podium, speak into the microphone, and state your name and if you are a resident for the public record. Comments may not exceed three minutes. It is the policy of the Mayor and Council not to comment on items brought forth under "Call to the Public." However, staff can be directed to report back to the Council at a future date or to schedule items raised for a future Council agenda. To avoid disruption of the meeting, to maintain decorum, and provide for an equal and uninterrupted presentation, applause is not permitted, except during Proclamations, Awards, and Recognitions. All meeting participants must maintain proper decorum as specified in Section 6 of the Council Rules of Procedure.

5. SUMMARY OF CURRENT EVENTS BY TOWN MANAGER

6. PRESENTATIONS

- a. **PRESENTATION:** Tourism Update

7. PROCLAMATIONS, AWARDS, AND RECOGNITIONS

- a. **PROCLAMATION:** Designation of July as Park and Recreation Month
- b. **RECOGNITION:** Mayor's Business Spotlight: Graze Craze

8. CONSENT AGENDA

All items listed are considered to be routine, non-controversial matters and will be enacted by one motion and vote of the Council. All motions and subsequent approvals of consent items will include all recommended staff stipulations unless otherwise stated. There will be no separate discussion of these items unless a Councilmember or member of the public so requests. If a Councilmember or member of the public wishes to discuss an item on the Consent Agenda, he/she may request so prior to the motion to accept the Consent Agenda or with notification to the Town Manager or Mayor prior to the date of the meeting for which the item was scheduled. The item will be removed from the Consent Agenda and considered as the first item on the Regular Agenda. The remaining items on the Consent Agenda will be enacted by one motion and vote of the Council.

- a. **CONSIDERATION AND POSSIBLE ACTION:** Approving the Town Council Regular Session minutes of May 19, 2026.
- b. **CONSIDERATION AND POSSIBLE ACTION:** Council approval recommending to the Arizona Department of Liquor Licenses and Control, the application for an extension of premises/patio permit for Parkview Taphouse, located at 16832 Parkview Ave, Fountain Hills, Arizona 85268
- c. **CONSIDERATION AND POSSIBLE ACTION:** Approving Resolution 2026-17, a Cooperation Agreement between the Town of Fountain Hills and Maricopa County, for participation in the Community Development Block Grant (CDBG) Program.

9. REGULAR AGENDA

- a. **CONSIDERATION AND POSSIBLE ACTION:** Regarding the Town Council's direct-report employment contract amendments and/or updated agreements, as applicable, for the Town Manager, Town Attorney, Town Prosecutor, and Presiding Judge/Town Magistrate, and authorizing the Mayor, Town Manager, Town Attorney, and Town Clerk to take all actions necessary to carry out the intent of the approvals.
- b. **CONSIDERATION AND POSSIBLE ACTION:** Regarding the Proposed Energy Savings Capital Project for Parking Shade Structure and Solar Panels for Town Hall Campus Visitors
- c. **CONSIDERATION AND POSSIBLE ACTION:** Regarding a budget authority transfer for additional design costs for the Downtown Streetscape Capital Improvement Project
- d. **DISCUSSION AND POSSIBLE DIRECTION:** Relating to E-bikes and E-Moto regulations
- e. **PUBLIC HEARING, with CONSIDERATION AND POSSIBLE ACTION:** Regarding Ordinance 26-11, amending Zoning Ordinance Chapter 6, Sign Regulations, Section 6.08 A. 6. Drive-Through Sign, to increase the allowed size of these signs.
- f. **CONSIDERATION AND POSSIBLE ACTION** Regarding the Professional Services Agreement 2027-02 with BIO-Janitorial Services, Inc. for Town-Wide Janitorial Services.
- g. **CONSIDERATION AND POSSIBLE ACTION:** Regarding the purchase of a (Ditch Witch) vacuum excavator from The Charles Machine Works, Inc., through Sourcewell Master Agreement No. 091125.
- h. **CONSIDERATION AND POSSIBLE ACTION:** Related to any item included in the Arizona Cities and Town's Weekly Legislative Bulletin or relating to any action proposed or pending before the State Legislature.

10. CALL TO THE PUBLIC

Pursuant to A.R.S. §38-431.01, or as prescribed by state law.

11. COUNCIL DISCUSSION/DIRECTION TO THE TOWN MANAGER

Members of the Council may (1) request the Town Manager follow-up on matters raised at that meeting; (2) request one two-minute response to directed criticism raised any portion of the meeting; (3) a consensus of the Council may request the Town Manager to research a matter and report back to the Council.

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

Dated this 11th day of June, 2026.



Bevelyn J. Bender, Town Clerk

The Town of Fountain Hills endeavors to make all public meetings accessible to persons with disabilities. Please call (480) 816-5100 (voice) or AZRelay 7-1-1 the Thursday prior to the meeting to request reasonable accommodation.

Tourism Update



**FOUNTAIN
HILLS**



Tourism Highlights

- Hotel Occupancy: 66%
- 52,000 new website visitors
- 1.1 million Facebook views (+612%)
- 14 million Wildjoy campaign impressions
- 10 professional tourism videos produced
- 116,584 Fountain Live Feed/Earth Cam views

Tourism marketing efforts increased Fountain Hills visibility, supported local businesses, and helped drive overnight visitation.



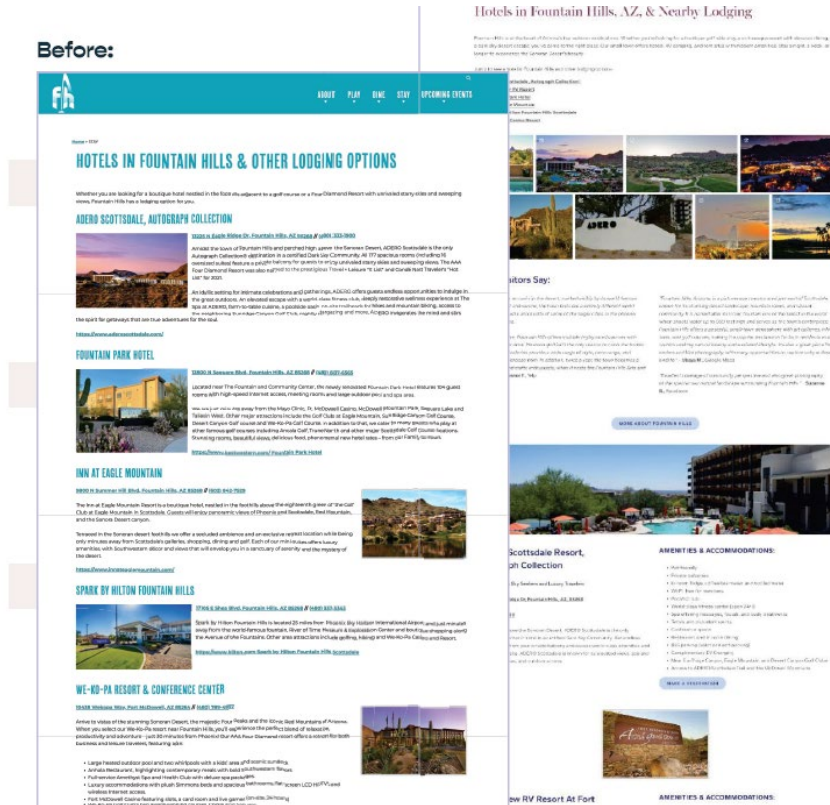
**FOUNTAIN
HILLS**

Experience Fountain Hills Website Viewership



Top 5 AZ	Top 5 National
Phoenix	Los Angeles
Scottsdale	Las Vegas
Fountain Hills	Denver
Mesa	New York
Chandler	Chicago

Hotels and Resorts



- Improved web page
- December 1 – May 15, 2026 vs Last Year
 - 96,309 visits to hotel pages (+81%), indicating increased interest in overnight stays and lodging.



Instagram: Record Breaking 30-Days



92k Instagram post, Reel, & page views
vs. the typical 32k-42k monthly views in 2025



Growing audience between the ages of 25-34
with actions that lead to in-person visits



What's working: Consistent organic posts, Collaborative posts with the Town, influencers, & businesses, & community engagement.

Record Breaking Performance

July 1, 2025 – May 15, 2026

- Instagram
 - 3 full months of audience being primarily in the 25 – 34 age range
 - Unique account views on Instagram increased by 46% year-over-year
 - Total Instagram page/post views increased by 64%
 - Followers include AZ, United States, Canada, Mexico and the United Kingdom
- Facebook
 - 1.1 million Facebook views expanded Fountain Hills' reach to potential visitors across Arizona and key out-of-state markets.
 - Gained 38% more followers
 - Facebook reels drove 255,000 views, which is a 781% increase from last year



**FOUNTAIN
HILLS**

Prop 202 Grants



- Fort McDowell Yavapai Nation
 - FY26 – No Funding
 - FY27 – Submitted application/Award notifications in August 2027
- Salt River Pima Maricopa Indian Community
 - FY26 - \$50,000 for Music Fest
 - FY27 – waiting for invitation to apply
- Gila River Indian Community
 - FY26 – No Town Funding, pass-through for FH Chamber
 - FY27 – Did not apply

Prop 302 Grant



- Arizona Office of Tourism
 - **Secured \$76,628.40**
 - Leveraged grant dollars to fund advertising, videos, media relations, and produced annual visitors guide.
- **FY27 – \$90,588.29 (estimate)**





Wildjoy Campaign Results

- Over 14 million impressions
- Largest DMO campaign in Wildjoy history
- Targeted regional visitors seeking day trips and overnight stays

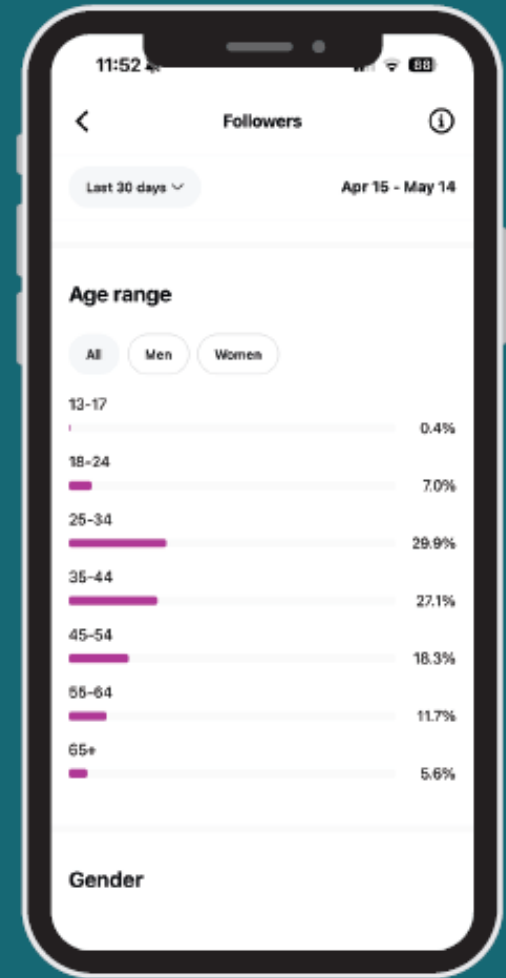
*"We've been working with Experience Fountain Hills for a few years now and just completed our annual '25-'26 campaign which led to our **biggest campaign reach in Wildjoy history for a DMO at over 12 million views**. Looking to the future, we are going to be designing our campaigns with fun, easy to do ideas to get our community over to Fountain Hills to find their Wildjoy." Lacy Cain, Founder*

wildjoy™

CURRENT DEMOGRAPHICS



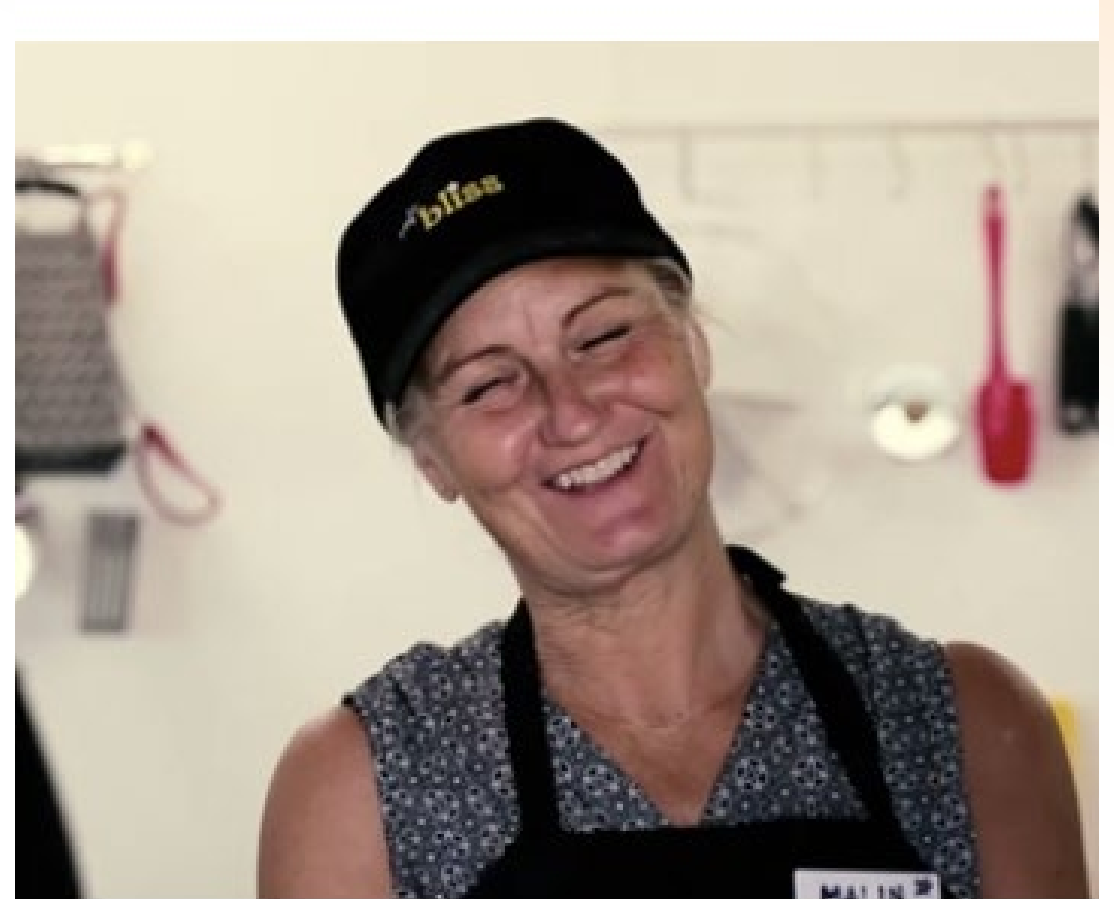
TIKTOK



INSTAGRAM

Tourism Supports Local Businesses

- Tourism marketing highlighted:
 - Restaurants
 - Retail Shops
 - Hotels
 - Events
 - Attractions
- Featured businesses included:
 - ADERO and Inn at Eagle Mountain
 - Arrivederci
 - El Encanto de la Fuente
 - Phil's Filling Station
 - Saddlebronc
 - Put A Handle On Your Candle
 - Café Bliss
 - Cards of Fountain Hills
 - Dark Sky Discovery Center Telescope Installation (*separate funding*)



Tourism Supports Local Businesses and Events

- Professional Photography
 - Nature/Beauty
 - Events
 - Irish Fest
 - Music Fest
 - Dark Sky Festival
 - Retail
 - Avenue of the Fountains
 - P39 Apothecary and Gifts
 - Shopping
 - Restaurants
 - Euro Pizza
 - El Encanto de la Fuente
 - Batchelor's Pad BBQ
 - Georgies
 - Mountain View Kitchen
 - Café Bliss



Night Sky Tourist

- International Observe the Moon
- Geminid Meteor Shower Watch Party
- Partnership with ADERO
- Private Events
 - 80% visitors to Fountain Hills
 - Star Dudes conducted 147 gigs
- Last Hike Report
 - Sun City West – dined at Euro and stayed at Fountain Park Hotel
 - Lake Havasu
 - Montana/Girl's Weekend in FH





Conferences at the Community Center

- Museum Association of Arizona
 - Registered Attendees: 87
 - Room Blocks: Fountain Park Hotel and Spark by Hilton
 - Rooms Secured: 0 at Spark; 2 at Fountain Park
- Arizona Municipal Clerks Association Conference *(hosted over 12 years in FH)*
 - July 14 – 16, 2026
 - Estimated Attendees: 120
 - Room Block: ADERO Scottsdale



Advertising





FY26 Tourism Takeaways

- Tourism marketing reached record audiences.
- Grant funding expanded marketing efforts without relying solely on local resources.
- Fountain Hills continues to grow its visibility as a destination that supports local businesses and the local economy.





Looking Ahead FY27

- Expanded video marketing
- Website Enhancements
- Conference Recruitment
- Seasonal campaigns
- Support and promotion of International Dark Sky Discovery Center
- Continued support for local businesses





**FOUNTAIN
HILLS**



PROCLAMATION

Designation of July as Park and Recreation Month

WHEREAS, parks and recreation are an integral part of communities throughout this country, including the Town of Fountain Hills; and

WHEREAS, parks and recreation promote health and wellness, improving the physical and mental health of people who live near parks; and

WHEREAS, parks and recreation promote time spent in nature, which positively impacts mental health by increasing cognitive performance and well-being, and alleviating illnesses such as depression, attention deficit disorders, and Alzheimer's; and

WHEREAS, parks and recreation encourage physical activities by providing space for popular sports, hiking trails, and many other activities designed to promote active lifestyles; and

WHEREAS, parks and recreation is a leading provider of healthy meals, nutrition services, and education; and

WHEREAS, park and recreation programming and education activities, such as out-of-school time programming, youth sports, and environmental education, are critical to childhood development; and

WHEREAS, parks and recreation increase a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, parks and recreation are fundamental to the environmental well-being of our community; and

WHEREAS, parks and recreation are essential and adaptable infrastructure that make our communities resilient in the face of natural disasters and climate change; and

WHEREAS, our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, the U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS, the Town of Fountain Hills recognizes the benefits derived from parks and recreation resources.

NOW, THEREFORE, I, Mayor Gerry Friedel, together with the Town Council of the Town of Fountain Hills, Arizona, do hereby recognize July as

PARK AND RECREATION MONTH

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the Town of Fountain Hills, Arizona, this 16th day of June 2026.



Gerry Friedel

Gerry M. Friedel, Mayor

ATTEST:

Bevelyn J. Bender

Bevelyn J. Bender, Town Clerk

TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR SESSION
OF THE FOUNTAIN HILLS TOWN COUNCIL
May 19, 2026

A Regular Meeting of the Fountain Hills Town Council was convened at 5:30 p.m.

Members Present: Mayor Gerry M. Friedel; Vice Mayor Gayle Earle;
Councilmember Rick Watts; Councilmember Peggy McMahon; Councilmember
Brenda J. Kalivianakis; Councilmember Allen Skillicorn

Councilmember Hannah Larrabee attended by telephone conference call.

Staff Present: Town Manager Rachael Goodwin; Town Jennifer J. Wright; Town
Clerk Bevelyn J. Bender



Post-Production File

Town of Fountain Hills
Regular Council Meeting Minutes
May 19, 2026

Transcription Provided By:
eScribers, LLC

* * * * *

Transcription is provided in order to facilitate communication accessibility and may not
be a totally verbatim record of the proceedings.

* * * * *

ALL: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MAYOR FRIEDEL: And if you choose to remain standing, we have the invocation by Pastor Keith Pavia from Christ Church.

PAVIA: Mayor, Council, thank you so much.

Let's pray. Dear God, we thank you. We ask you to come to this meeting today and help this meeting be positive. Help this meeting show unity, help this meeting direct this town the right way. We thank you for everything. We love you and we ask this all in Jesus' name. Amen.

MAYOR FRIEDEL: Thank you.

Town clerk, can I get a roll call, please?

BENDER: Mayor Friedel.

MAYOR FRIEDEL: Present.

BENDER: Vice Mayor Earle.

EARLE: Present.

BENDER: Councilmember Skillicorn.

SKILLICORN: Here.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Here.

BENDER: Councilmember Watts.

WATTS: Here.

BENDER: Councilmember Larrabee.

LARRABEE: Present.

BENDER: And Councilmember McMahon.

MCMAHON: Here.

MAYOR FRIEDEL: Thank you.

We'll move on to our summary of current events by our Town Manager, Rachel.

GOODWIN: Thank you, Mayor.

I just have a -- three brief community updates this evening that I wanted to share.

First, was to recognize if you didn't have a chance to attend. We had the second annual summer kickoff this past Saturday. It was a tremendous success. The evening brought families together for the foam cannon, a thirty foot water slide, as well as a movie in the park.

But one of the true highlights was the main stage. Local youth performers showcased their talents through high school garage bands, dance performances, and theater acts. It was a fun and energetic evening and a great way to celebrate our talented youth that help make Fountain Hills so special.

The -- I would be remiss if I didn't also extend a special thank you to Mr. Z and Ms. Wilson from the high school, as well as Ms. Allison from the theater, for their help coordinating the youth performances. I hope you guys made it out. I think -- I think a number of you guys did -- got to see it. The weather was perfect, so it was a great night. Second, as we recognize Public Works week, I also want to share some exciting news about our own town engineer, David Janover. David was notified this week that he is being honored as -- with the prestigious 2026 engineer of the Year Award from the Arizona Society of Professional Engineers. This is a -- yes.

It's a tremendous professional recognition and a fitting opportunity to acknowledge the important work of our public works team. So congrats to Dave on this well-deserved honor. So -- and if you don't know David Janover, he is a great guy to work with. And this is very much well deserved.

Finally, as we approach Memorial Day, all three veterans service organizations in Fountain Hills are partnering to host a joint ceremony at the Veterans Memorial on Monday at 9 a.m. This year's ceremony will be led by the Marine Corps Lead Detachment 1439, in partnership with the Veterans of Foreign Wars Post 1707 and the Legion Post 58. So we appreciate our local veterans organizations for coming together to honor those that gave their life for service to our country, and we encourage the community to attend.

With that, Mayor, those are my updates.

MAYOR FRIEDEL: Thank you. We'll move on now to proclamations, awards and

recognitions. We'll start with our Mayor's Business Spotlight.

So tonight's Mayor's Business Spotlight is the Sonoran lifestyle team. This month, it's my pleasure to recognize the Sonoran lifestyle team as the Mayor's Business Spotlight. Lead by longtime Fountain Hills resident and real estate professional Dori Wittrock, the Sonoran Lifestyle team has made a lasting impact on our community through both business excellence and community involvement.

Dori's connection to Fountain Hills began in 1985, when she chose to pursue a career in real estate after working in HOA management. That was a good switch.

Over the past 30 years, she has built a respected reputation as a skilled planner, strong communicator, and trusted leader in the real estate industry. Her impressive career includes 16 years with Fountain Hills master developer MCO Realty, as well as thirteen years as a new home sales manager, where she played an integral role of development and marketing of numerous new home communities and custom home projects.

Since founding Sonoran Lifestyle Real Estate in 2001, Dori and her team have been involved with several notable luxury developments, including Bolero at Fire Rock, the Villas at Copper Wind, J.W. Marriott Residences, Torreon Golf Club and Retreat, and the Summit at Crestview.

What sets Dori and the Sonoran Lifestyle team apart is their commitment to providing clients with thoughtful guidance, clear communication, and innovative marketing strategies. Their ability to adapt to changing market trends while delivering exceptional service has helped establish them as one of Fountain Hills most successful real estate agencies.

Beyond their professional accomplishments, Dori and the lifestyle -- Sonoran Lifestyle team continue to make significant investments in the Fountain Hills community through sponsorships and support of local events. Over the past five years, Dori and Sonoran Lifestyle Team have contributed nearly \$100,000 in community sponsorships and have been a consistent supporter of beloved events such as Irish Fest and Concerts on the Avenue.

Their continued investment helps bring residents together, supports our community

programing, and enhances the vibrancy and quality of life in Fountain Hills on behalf of the Town of Fountain Hills.

Congratulations to Sonoran Lifestyle Team on being recognized as this month's Mayor's Business Spotlight.

Dori, come on up.

UNIDENTIFIED SPEAKER: One, two --

WITTRICK: Mayor, thank you so much.

And I just want to say, it has been a privilege to serve the community in real estate, in community service, in nonprofit work, and we love doing the sponsorships, and we love seeing you all downtown. Thank you so much.

On behalf of Tony, and Beth, and myself, and we are actually the REMAX Sun properties. Sonoran lifestyle team. We are REMAX, but I just wanted to point that out and I really appreciate this award.

Thank you so much.

MAYOR FRIEDEL: You're welcome. Thank you.

And next we are going to have our Mayor's Veteran of the month, Captain Joseph Winters. Let me read a little bit about Joseph B. Winters.

He's US Army retired. Captain Joseph B. Winters entered the US Army at 18 years old in 1958. He completed BCT, which is basic combat training, at Fort Leonard Wood. He completed AIT at Fort Monmouth, New Jersey. Joe was stationed at Supreme Headquarters Allied Powers called SHAPE in Paris from 1960 to 1964 and played baseball for Shape.

Joe completed OSC training -- I'm sorry -- OS -- OCS training at Fort Benning, Georgia in 1964. He was company commander at Fort Leonard Wood. Joe completed helicopter flight school in 1966 and shipped to Vietnam.

Joe was wounded in 1966 and spent six months in the hospital at Fort Ord, California, and he received a Purple Heart.

He was stationed at Fort Rucker, Alabama from 1969 to 1970. Joe requested to return to Vietnam and was there from 1971 to '72.

Joe returned to Fort Leavenworth, Kansas in 1973. Joe got his bachelor's degree at Park College in Parkville, Missouri in 1974 and retired from the service in 1975. Joe received his master's degree from UMKC in 1977.

Please help me recognize Joseph B. Winters.

Joe, come on up.

WINTERS: (Indiscernible).

UNIDENTIFIED SPEAKER: Yeah. One. Two. Three.

WINTERS: Well, this is an honor. I have nothing -- nothing -- something that I really didn't expect. The one thing I do miss is flying helicopters. That was fun.

Thank you all very much. I appreciate it.

MAYOR FRIEDEL: And next we will have the proclamation recognizing the achievements of our Fountain Hills High School boys and girls basketball teams and wrestling teams.

And I think we have a few of them in attendance here tonight.

So whereas the town of Fountain Hills -- High -- Fountain Hills High School boys and girls basketball teams and wrestling teams represented the town of Fountain Hills with excellence, dedication, sportsmanship throughout the 2025 through 2026 athletic season, and whereas is the girls basketball team earned the 2026 Aiea two, a state championship runner up title, the boys basketball team advanced to the State tournament, and student athletes Tyler Trapani and Ava Bourne earned state wrestling honors.

And now, therefore, the Town of Fountain Hills properly recognizes and congratulates these students, coaches, and athletes, and their families for their outstanding achievements and commitment to their school and our community.

So come on up and I'll have maybe somebody say a few words about your -- your accomplishment. Come on up.

[CROSS TALK]

UNIDENTIFIED SPEAKER: Kind of squeeze in a little bit if we can. We'll try to make it work. All right. On three. One. Two. Three. That is a tight fit. Cool. All right.

Congrats. Thanks, guys.

UNIDENTIFIED SPEAKER 2: Wait! Hold on. Don't move. Can I take a picture really quick? Yeah.

UNIDENTIFIED SPEAKER: One more? We've got one more.

UNIDENTIFIED SPEAKER 2: Thank you.

FARRINGTON: Gotcha. Thank you.

Hello, my name is Thomas Farrington. I am the girls high school varsity basketball head coach. And my first year as head coach, we were able to make it to the state championship.

Unfortunately, we didn't win, but great experience overall, and it gives us something to build on for the future. So thank you so much.

SALZMAN: Hello, I'm Luke Salzman, the wrestling coach. These two are our only seniors this year, and they did an excellent job. He was a state runner up this year, and Ava here was third place. So she's also going to wrestle in college next year. So very proud of them.

Thank you.

[CROSS TALK]

MAYOR FRIEDEL: Vice Mayor, you will do the next --

EARLE: Yes.

MAYOR FRIEDEL: -- proclamation, please?

EARLE: Thank you.

Tonight, we have the privilege of presenting a proclamation for the national sorority of Phi -- Phi Delta Kappa. Whereas the national sorority of Phi Delta Kappa, Inc. has served communities through education, leadership, mentorship, and service for more than one 10 years.

And Whereas the Zeta Theta chapter continues this legacy through community outreach and support of local educators and students.

Now, therefore, the Town of Fountain Hills proudly proclaims May 23rd, 2026, the national sorority of Phi Delta Kappa, Inc. day. And I believe we have Kimberly Hill here to accept this.

[LAUGHTER]

HILL: Thank you so much, Mayor and Council, for this honor. We are so appreciative. As stated before, we are a professional organization of educators who have been serving the community nationally since 1923.

And we chose Fountain Hills, this lovely community, to commemorate our Founder's Day celebration. So if you see a bunch of ladies in red and gold strolling around this weekend, that's us. And if you have any questions or want more information, feel free to stop us. But once again, thank you so much.

MAYOR FRIEDEL: And next, we have a presentation.

Rachel?

GOODWIN: Thank you, Mayor. Our CFO, Paul Soldinger, is going to give us the rundown of our quarter three revenue updates.

SOLDINGER: All right. Mayor, Vice Mayor and Council, thanks for the opportunity.

Tonight, I will be going over our quarter three revenues. And I'll just say it was a really good quarter for us, one of the best that we've had since I've been here, well exceeding most of our projections. And so it's a positive report. Please let me know if you have any questions.

So we're covering January through March of this year, and the total net taxable activity was \$204 million, an increase of about 12 million, or about 5.8 percent compared to last year. So that's a good sign. We've been seeing a lot more fluctuating activity up and down. This one's a positive in the right direction.

We brought in 5.7 million in total TPT collections, an increase of four percent compared to the prior year. If you look at the first two quarters, you'll see that those were negative compared to the prior year. So we are seeing some positive correlation going up compared to the prior year. And also 17 percent above projections, which was very, very strong for the quarter.

And so for the year so far we're about 11 to 12 percent above our sales tax projections, which is good. We're -- we're on the right track.

Retail sales at \$3.1 million. This -- this category has been the one that's it makes about

half of our sales tax, and it's been kind of up and down, and it's really important because it's half of it. And so just to see that this category is starting to go up at the 4.6 percent above last year, that's a really strong sign for the town.

Also 11 percent above projections. So this is a really strong indicator that economic activity is picking up a bit in the Town of Fountain Hills.

Looking at retail sales, when you take out the food tax, just considering what local shopping trends might be when you're not considering groceries and things like that. Still strong indicators at \$2.5 million, about 5.4 percent more than the third quarter from last year.

And again, you can look at the first two quarters. We were barely above last year and now we're starting to trend up. So another good sign.

Remote sellers. So online sales are still picking up steam at \$600,000 for the quarter, about 12.5 percent more than last year. So we're still seeing that trend. People are shopping more online, but compared to previous quarters, this one is stronger because you are seeing the total retail sales category climb higher, rather than just the remote sellers within that category. So again, very strong indicators in our data right now for the town.

Construction, we've talked through the budget process this year, going into next year, how our construction sales tax does fluctuate is one of those categories that's a little bit hard to predict. But we've actually if you looked at the first three quarters, they've been relatively consistent at about 700,000 to up to 600 -- or \$767,000 for this third quarter. And it was 28 percent more than the prior year in the third quarter.

So again, another strong indication that construction activity has been pretty stable this year and pretty strong for the town.

Also 28 percent above our projections, which again, this category and our tourism services category, those are the ones that fluctuate the most, that are the most up and down and harder to predict. But we are seeing very strong and stable collections, actually, in this category. And you'll see an uptick in our other category that we'll get into in a minute.

Utilities still seeing a little bit of a downward trend at \$353,000 for the third quarter, about three percent less than last year. Again, it's just -- this is where it's trending right now. We'll see, as the year ends and going into next year with certain rate increases, we'll see how that plays out.

But not a huge impact to the town's finances is one of our smaller categories. Just a little bit interesting that it continues to trend downwards.

Also 6.7 percent below projections, which is a little bit of a concern too. So we'll continue to monitor.

Real estate. This looks bad when you look at it. But I've -- I have to put an asterisk every time and kind of explain. Last January was the -- the time period when the State eliminated the long term residential rental tax. So January, we still received that -- that long term tax. And so it kind of skews the numbers a little bit.

Yes, we're 26 percent below last year's third quarter. But in the fourth quarter, you'll start seeing more comparable data where it's just focused on the commercial portion of that real estate tax that still exists.

Also 9.7 percent below projections. That kind of goes back to the budget conversations going to next year, where we look back at the data and we -- that was actually the one category that we revised downwards based on the data that we probably over projected a little bit for this year. And that's kind of why you're seeing that downward trend there.

Restaurants and bars, actually another strong category for us, two consecutive quarters of increasing revenues at \$448,000. That's four percent more than last year. So we are -- I know last year we're talking a lot about how restaurants were struggling, at least from the sales tax perspective. Now we're starting to see an upward trend with our restaurants. And you can see compared to our projections, very strong at 26 percent above our projections for the quarter.

Services. This is the other one that really fluctuates up and down, but this is a good representation of tourism in the town, people staying in hotels, going golfing, short-term rentals. Very, very strong quarter at about \$800,000 for the quarter, four percent

more than last year. And just really way over our projections at 65 percent above projections. This is one of the categories where we've been, I would say, overly conservative because of the fluctuations, but the data is showing a more stable environment where we are bringing in stronger revenues compared to our projections. And that's it for sales tax.

For state shared revenues, coming in above projections for our general fund, for state shared sales taxes, the State is outperforming a bit from a sales tax perspective. As a reminder, we receive a portion of the State sales taxes that they charge. We get these revenues based on our population, part of the State shared revenue pie for all the municipalities.

We brought \$950,000 in that revenue category, above projections of 931,000. State shared revenue for income taxes or urban revenue sharing, just right below our projections at 1.15 million for the quarter.

And in our streets fund for these two revenue sources, vehicle license, taxes, we brought in \$358,000, a bit over our projections and for our HERF revenues, we brought in 477,000 for the quarter, also a bit above our projections.

So all in all, a very strong revenue report, one of the better ones or best reports I've provided to the Council since I've been here the past two and a half years. So I -- and I'll say April was very, very strong as well. So looks like we're ending the fiscal year strong and going into next year in a good position.

So with that, I'm happy to answer any questions.

All right.

MAYOR FRIEDEL: Thank you Paul. Great report.

SOLDINGER: Thank you.

MAYOR FRIEDEL: Next we have our consent agenda.

KALIVIANAKIS: Motion to approve consent agenda.

EARLE: Second.

MAYOR FRIEDEL: We have a motion and a second.

Can I get a roll call, please, Town Clerk?

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, six-zero.

MAYOR FRIEDEL: Thank you.

Six or seven?

Town Clerk, did you say six or seven?

BENDER: Seven. I can't count today, I guess.

MAYOR FRIEDEL: Thank you.

All right. We'll move on to our regular agenda, then. I'm going to open a public hearing here.

Public hearing with consideration, possible action relating to ordinance 2603, amending the zoning ordinance, section 5.13.

Rachel.

GOODWIN: Thank you, Mayor.

Director Wesley is going to walk us through this. But essentially, tonight's item is sort of the second half of a two-parter that we tackled the first part in March, and then tonight is sort of bringing that full circle. So with that, Don, I'll let you take it from there.

WESLEY: Thank you, Town Manager, Mayor, Council.

As Town Manager said, if you recall, back in March, we came to you with a text amendment creating section 8-8 of the Town Code with regard to community residences. Just most of the things in that, we were pulling from a zoning ordinance, section 5.13, dealing with community residences, but added a few things. They're dealing with inspections and insurance.

We felt it was better for these business-related items to actually be part of the business section of the Town Code, rather than over in the zoning ordinance. So this part tonight is house cleaning on the zoning ordinance and taking those things that we put into town to 8.8 and taking them out of 5.3.

So there's the only change other than that to 5.3 is adding a reference in 5.3 in the zoning ordinance over to 8.8 or eight dash eight of the town code. So otherwise it's just a house cleaning of moving those items over.

Any questions you have?

SKILLICORN: Thank you, Mr. Mayor.

Much better. Thank you, Mr. Mayor.

Director, just refresh our memories on the inspection criteria and also the insurance requirement?

MCMAHON: I object. That's not on the agenda. The open discussion about the ordinance is not my understanding -- that's what's on the agenda. What's on the agenda is whether or not to move, to do away with duplicate provisions and add a reference. And that's it. That hasn't been noticed.

MAYOR FRIEDEL: Did you want to call a point of order?

MCMAHON: Yeah. Point of order.

MAYOR FRIEDEL: Okay. Thank you. So there's a point of order that this is not on the agenda, so we'll -- we'll have to take a vote on the point of order. Oh.

MCMAHON: The only thing on it is to remove the duplicate provisions and to make a reference. That's it. The ordinance is not open for discussion.

MAYOR FRIEDEL: Yeah.

MCMAHON: Otherwise I would have prepared for it.

MAYOR FRIEDEL: Yeah.

So we recognize the point of order.

MCMAHON: So that question was out of order.

MAYOR FRIEDEL: Yeah. So the question was asked is out of order.

So we'll proceed. Are there any other comments?

Are there any comment cards, Town Clerk?

BENDER: Yes, Mayor. We have one, Crystal Cavanaugh.

CAVANAUGH: Since there wasn't much discussion on this, there's not a lot I have to say about it, except that I fully support the provisions that were changed and obviously to clean up the procedures and the ordinance. I agree with that. Thanks.

MAYOR FRIEDEL: Having nothing else, I'm going to close the public hearing. Is there any further council discussion?

KALIVIANAKIS: No, I'd just like to move to recommend adoption of ordinance 26-03.

EARLE: Second.

MAYOR FRIEDEL: We have a motion and a second. Can we get a roll call, please?

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, seven-zero.

MAYOR FRIEDEL: Thank you.

Moving on to item B, which was consideration, possible action for amending the town code related to handbills.

I'm going to move to postpone this item indefinitely, to allow our town staff additional time to further evaluate this matter.

So I'll request a second for that motion.

WATTS: Second.

KALIVIANAKIS: Second.

MAYOR FRIEDEL: We have a motion and a second.

Can we get a roll call, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: Yes.

BENDER: Vice Mayor Earle.

EARLE: Aye.

BENDER: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, seven-zero.

MAYOR FRIEDEL: Thank you.

Moving on to item C, consideration of possible action regarding the resolution 2026-08,

intergovernmental agreement to renew the Regional Public Transportation Authority. Rachel.

GOODWIN: Thank you, Mayor.

Our deputy town manager David Trimble, serves as our primary point of contact with Valley Metro. Each year we do an IGA to reaffirm our services with them and our partnership with that program. Dave is going to walk us through that tonight and answer any questions you might have.

With that, I'll turn it over to you.

TRIMBLE: Thank you. And as the town manager said, typically Mayor, Vice Mayor and Council, this is usually a routine item. We could have put it on the consent agenda, but with some of the changes and things like that, we thought we'd go ahead and bring this to light tonight and just review some of the things. I don't think you'll find much, if any, if any new items on here that we haven't talked about. But again, we just thought it would be good to bring this to light as -- tonight.

So again, all we're really doing is approving the intergovernmental agreement with Valley Metro. Routine item. We do this from year to year. But tonight we'll go over it a little bit more. And we did make some changes to Ride Choice recently that we were in the middle of implementing. So -- and those changes will be effective July 1st. So we'll go over some of that as well.

Recently, we made some changes to the overall transit portfolio for the town. You may recall April of 2025, the final 550 express bus service was discontinued. And that's really due to budgetary constraints. And you see on this slide too, we -- we want just reiterate, no general fund monies are currently spent on transit. That was the sentiment and consensus of the Council, so we want to keep it that way. And some of the changes that we're making are to do just that. So as you see, we are working towards that goal.

Really on this slide, just reiteration of what we've said. We really want to continue the Ride Choice program. The IGA tonight with Valley Metro continues that. And again, some of the changes are on the next slide here.

The two major things to Ride Choice that we were directed at the November 12th work session. Number one, change the eligibility, and number two, change the fare structure. And those were done really to try to -- try to get those costs in line with the monies that we have coming in, which is about that \$60,000 per year that we get coming in from the region, from the -- mainly from the Arizona Lottery funds.

So again, the goal is just to simply preserve the program. Number one there, residents will no longer automatically be qualified if they're over age 65. They do have to qualify with a with a disability, go through the process with Valley Metro. And we'll talk a little bit more about that in the next slide. And then a change to the fare structure to just again save the cost there.

So we've been in the middle of implementing this, and kudos to community center staff here who've really hosted several events, taken a lot of phone calls on this. They've hosted two events so far with the help of Valley Metro, who really runs it.

And we've had these events in order to assess whether or not those folks would qualify under those ADA qualifications that are now in place -- that are going to be in place July 1st. And we had 20 people. We had ten at each event and all 20 did in fact qualify. We didn't know how that would go. But they're all pretty much qualifying, as you can see there.

We have one more event tomorrow, in fact, at the community center from eight to four p.m. and then July 1st our changes will begin. And if residents missed all of those opportunities and ongoing, they will go through the regular process with Valley Metro, so they'll be able to qualify them at an ongoing basis throughout -- throughout the year. So just a little bit more about how the trips are trending, versus our costs. The red line represents the funding coming in, so the town can pay for about 1500 rides. You can see the number of rides or the actuals are the vertical blue lines going up and down. So fiscal year 2026 that we're in now, we do project that we're going to spend about twice what we have coming in. But I want to make sure that everybody understands we're okay. We have the balance to do that from previous years.

So for this year -- and then you see fiscal year 2027 that we're approving hopefully

tonight, we have the money, again, in balances built up to go ahead and pay for those as well. And then hopefully on an ongoing basis, the idea is to level those together. So -- so that our money coming in matches the cost going out.

So really that's kind of it. Just again, to summarize, we do recommend approval tonight. We do have some changes coming in place for July. And we have existing fund balances that we think will pay for the upcoming agreement.

So if you have any questions, I'd be happy to try to answer them.

KALIVIANAKIS: Thank you, thank you, thank you, Mr. Mayor. Yeah.

Thank you for your presentation. And also thank you for not putting this on consent agenda so that people can have an idea of what we're doing up here. It's a popular program for those who use it, and I know we've got comment cards mailed to us today, recommending that we do this.

For the budget hawks that are out there, just a question to you, and I know this is redundant, but just so people know, the funds do come out of state funds and the impact to our budget is zero. Is that correct?

TRIMBLE: That is correct.

KALIVIANAKIS: Yeah. So the Fountain Hills taxpayers won't be taxed. It's coming out of this, like you said, the lottery and state funds?

TRIMBLE: Correct.

KALIVIANAKIS: Okay. Thank you.

EARLE: Thank you.

Thank you very much for your presentation. As you know, I serve on the board of Valley Metro, and I spoke with Jessica Bedford Miller about this, the CEO, and she's working really hard to continue this program. So not just for Fountain Hills, but for other towns as well, because it's such a necessary service. And we have, what -- over what -- 1600 or 2000 rides and we have over 78 people utilizing it.

There's not many choices out here. I know our volunteer -- people who volunteer to take people to the doctor and other places is hard pressed for volunteers right now. So I really appreciate this program, and I'm really glad that it's in Fountain Hills and we can

offer it to our residents. Thank you.

SKILLICORN: Thank you, Mr. Mayor and Deputy Manager.

Where else could these funds be utilized in our budget?

TRIMBLE: They are restricted to transit in one way, shape or form. So the Arizona Lottery funds that we get from the region do have to be used towards some sort of transit.

SKILLICORN: And Mr. Mayor, Deputy Manager, I mean, it could also be like an internal trolley that would be able to give people rides from, say, the Dark Sky Center to our restaurants or something like that?

TRIMBLE: Mr. Mayor, Councilmember Skillicorn, I don't believe that is a use that would qualify for the regional funds. I think there has to be a regional nexus to that.

SKILLICORN: Okay. It might be something worth exploring.

EARLE: Thank you. I think we did explore that, along with some other choices that you guys did look at and explore, and it was much more -- it was cost prohibitive to bring anything like that into the town.

So for this to be available, and the town did not have to use its own funds for it. I mean, it's a win-win situation.

MAYOR FRIEDEL: Thank you.

Are there any - Town Clerk, are there any comment cards?

BENDER: Yes, Mayor. We had three that were submitted. They did not wish to speak, but they wanted the Council to know they were for this.

MAYOR FRIEDEL: Thank you.

And with that, I will request a motion.

EARLE: Motion to approve.

KALIVIANAKIS: I'd like to make a motion to approve resolution 20-2608 [sic].

EARLE: Second.

MAYOR FRIEDEL: We have a motion and a second.

Can we get a roll call, please?

BENDER: Councilmember McMahon.

MCMAHON: Aye.

BENDER: Councilmember Kalivianakis.

KALIVIANAKIS: Aye.

BENDER: Councilmember Larrabee.

LARRABEE: Aye.

BENDER: Councilmember Watts.

WATTS: Aye.

BENDER: Councilmember Skillicorn.

SKILLICORN: No.

BENDER: Vice Mayor Earle.

EARLE: Aye.

MAYOR FRIEDEL: And Mayor Friedel.

MAYOR FRIEDEL: Aye.

BENDER: Mayor, six-one.

MAYOR FRIEDEL: Thank you. And moving on to item D is consideration and possible action related to any legislative bulletin updates or anything.

Does anybody have anything they want to bring up?

It's been pretty quiet, actually.

GOODWIN: I was going to say, it's been pretty quiet. I know they had a meeting this past Monday. It really had to do with funding for statewide 911 services and --

MAYOR FRIEDEL: Yep.

GOODWIN: -- other things. Really, I think they're just kind of sitting tight until we know what's happening with the budget.

MAYOR FRIEDEL: Correct. Thank you.

And then we'll move on to call to the public.

Town Clerk, do we have any speaker cards?

BENDER: Yes, Mayor, we have six speakers.

MAYOR FRIEDEL: Okay.

BENDER: First speaker is Larry Myers, followed by Linda Sommo, and then Gene

Schlenker.

MYERS: Mayor, Council.

Larry Myers, nearing 45 years here in Fountain Hills.

So I just wanted -- first, I want to let you know how stressed and how much sleep I lost because of the public is last. Sarcasm, in case you didn't get it.

So what I wanted to bring to your attention, and I've already spoken to John about it, is we have a sign ordinance that we've all learned, had a meeting about, and are trying to follow.

It's easier now, but town's more cluttered. However, the outsiders, they don't know the sign ordinance. So they come in and they break the sign ordinance. Now we have two and one half code enforcement guys who probably have more important things to do than to run around taking signs down.

So I know the insiders of which I'm one, we haven't had any trouble. But the outsiders who are Julie Gable, Jonathan Trimble, and Rick Pargo. And I hate to say this because I'll probably get crucified.

All Democrats putting their signs wherever they damn well feel, and probably not their fault, because they have people putting them up and they don't know what the sign ordinance is. So I told John, my suggestion is we have two clubs in this town. We have the Republican Club, and we have Democrat Club, and both of those clubs should be responsible for telling their candidates what the sign ordinance is, so that they can comply without John and his guys having to do a bunch of extra stupid work to keep the inside of the town where we all agreed we didn't want the signs, clean.

Jonathan Trimble is definitely the biggest offender, followed by Rick Pargo, who's newly arrived. Rick also is a -- he's a violator of ARS16-1019, which is a class two misdemeanor for blocking, removing, defacing. He's a blocker, so somebody should tell him about that, which is now MCSO's responsibility, I'm told.

But I think it might be a good idea for the clubs, and I think we have a board member of one of the clubs sitting on the dais, and I'm sure we have another member of one of the other clubs sitting on the dais. It might be a good idea to save our staff a bunch of crap

and let these people know where they can't put the signs.

Thank you. I appreciate it. And John does too.

SOMMO: Thank you. Mayor, Council.

My name is Linda Sommo, and I've been a resident here in Fountain Hills for the past 8 years now. Sign season has definitely arrived. We see them everywhere, and it's only going to get worse before it gets better.

But -- and I understand freedom of speech. I'm not trying to condemn anyone's ability for freedom of speech, but there are some particularly obnoxious signs that have appeared, and I think you all know what I'm talking about.

They come from rot. Especially the ones attacking Councilmember Kalivianakis, which, instead of focusing on the issues, instead -- instead are using personal attacks that have absolutely nothing -- nothing to do with the job for which Ms. Kalivianakis is running, such as her abilities, her accomplishments, her ethics, her honesty, her leadership skills, her decision making skills, her past decisions.

All of these things would be open to interpretation and could be argued by the opponents, but instead they tend they want to ignore those things because they can't find weaknesses there.

Instead, they focus on gender identity, which has absolutely nothing to do with the ability to do the job. And I, for one, condemn those types of signs.

At the beginning of the meeting, Pastor Pavia urged the Council to be positive and have kindness. In keeping with that, I would like to call on Mayor Friedel to condemn and disavow such signs in our community, because it embarrasses the entire community.

No response.

Thank you.

SCHLENKER: Mayor, thank you. Council.

I've watched many Council meetings over the years. This community is getting short changed these days from this administration. Our community is worse off today than two or three years ago.

The two greatest issues we have today are, one, what do we do about the roads? And

two, what are we doing to bring business to our town?

Most of you up there promised to fix both. Well let's see. Let's look at the results. We had an estimated \$50 million roads problem. Today we have, still a \$50 million road problem. Road maintenance, admirably handled by staff, continues to try to keep up with the natural degradation for the life cycle of the roads.

So this Council has nothing to celebrate. Our roads have lived way beyond the expected life, and roads will get worse with this administration. We need a change. And our town economy is not solid.

In fact, the town revenue grew faster under the previous administration. Tonight's charts by Mr. Solding showed that, in fact, since the last few years show a basic flat revenue that indicates a reduction in revenue, when you factor in the inflation.

I can argue that your policies are damaging our business community. And here's why. You tried to destroy a plan to revitalize the Target Shea Corridor, you declared English the town's official language, thus taking a shot at immigrants.

You changed the sign ordinance, as we heard about tonight, to allow for an explosion of political and business signs, thus threatening the beauty that is our allure to visitors.

You required that any contracts with the town must not have DEI, showing against -- again, a desire to discriminate and maybe loss of business.

So what are the accomplishments of this Council? Well, you took away the newspaper table. You implemented an invocation. You're attempting -- name a community center for someone that never even lived here. And then you made the call to public so difficult for all of us.

And you made the lives of two or three homeless people miserable. And you banned TikTok for town government for national security concerns. Yet the councilman that pushed it, uses it almost every day.

I'm sure developers are looking at the image this town is putting forth. I'm sure young professionals and families are also looking at the negative image this Council has spread throughout the valley.

We don't need the Sun City East that you're selling. We need change. Start working for

all of us, not the special interests that some of you are serving. There's alternative choices to lead and serve.

Thank you.

BENDER: The next three speakers are Crystal Cavanaugh, Kim Bartman, and Catherine Myrick.

CAVANAUGH: Well, actually, I -- oh, well, Crystal Cavanaugh, Fountain Hills resident. I actually turned in my call to public card simply to actually praise this administration because my significant other owns a pool building company, and he actually had stopped building in Fountain Hills for many, many years because of the difficulty with the permitting process. But over the past year and a half or so, I'd like to commend this administration and John Wesley and his group for streamlining that process. But now, moving on to the next topic that was brought up. I don't like having words put in my mouth. I know exactly what it says on that sign, and it doesn't say anything that Linda Sommo referenced.

It says Reelect Friedel. No need to transition to a new mayor. Play on words, no doubt, Brenda, but we never say anything else. And then it says the best man for the job is Gerry Friedel. There is no need to switch, to change, to transition. And that's the message. And then there's a little Ghostbuster on the opposition's face. That's really all the sign says.

Everybody's reading into it a little more for their own political purposes, but I just wanted to go on the record and say, we know exactly what it says. And if you read the sign, that is exactly what it says. But go ahead and try to keep bringing it up, because it only brings more attention to it. It's not a boring sign. It got the attention we needed, and there it is.

Thanks for your participation in that.

BARTMAN: Kim Bartmann, Fountain Hills resident since 2001. I am going to speak to those rot Reclaim our Town signs, and everybody can shake their head in the back all you want, but it is really appalling.

And I call for all candidates and all of you up there to -- to say no to these signs, to say

that this is not Fountain Hills, this is not the ugliness. I know so many people that come to town to work, to play, and they're asking me, what the hell is going on with Fountain Hills? Why is this so ugly? This is such a beautiful town.

And I -- I really ask all of you to speak up and say no to those ugly signs, and to vote for people who are going to bring us together and stop dividing.

Thank you.

MYRICK: Hi. Good evening. I'm Catherine Myrick, Fountain Hills resident, and as many of you know, currently running for Town Council. Running for office is an interesting job. You guys have all done it.

Meeting folks, talking to them about my platform, listening to find out what matters to them. I'm working really hard to make sure that people understand my background, my experience, and why I believe I'm one of the best candidates for the job.

What I'm not doing is denigrating my opponents or interfering with their campaigns. I understand that the proliferation of negative orange signs throughout town is perfectly legal, but I would hope that campaign supporters have positive attributes to share with the town, rather than just bringing negative energy and national politics into what should be a nonpartizan campaign.

Additionally, over the last week, Susan Digennaro, Jeff Tate, and I have each had two of our large street signs stolen. Total value of almost \$300. That is obviously not legal, and it's very disappointing that some think stealing signs is a good way to participate in the election season.

There are eight people currently running for office in Fountain Hills, and most of us are in the room tonight. I would ask that all eight of us trust enough in our qualifications to campaign cleanly, and to ask our supporters to do the same.

Those of us that are truly the right people for the job should be able to stand on our own merits without tearing down our opponents, either literally or figuratively.

Thank you.

MAYOR FRIEDEL: Thank you. We'll move on now to Council discussion and direction to the Town Manager.

Does anybody have anything?

Just direction to Town manager.

Having nothing there, we'll move on to future agenda items.

MCMAHON: Yes. I would like to propose that we reexamine our Rules of Procedure number 64B4. We're limiting our discussion to agenda items to two minutes. We're answerable to our constituents, and in essence, we're an open forum of government. And limiting Councilmembers to two minutes per agenda item prevents meaningful, thoughtful deliberation. And really, it interferes with our ability to perform our duties that we were elected to carry out.

So I feel like this is suppressing our --

SKILLICORN: Point of order. This is not a motion. This is a debate.

MCMAHON: I would like to move -- I would like to ask --

SKILLICORN: Point of order.

MCMAHON: I would be put on the agenda. Thank you.

SKILLICORN: Yeah. That -- that -- that's -- that was a debate, not a motion.

MCMAHON: It's not a --

SKILLICORN: And -- and it's repeated.

MCMAHON: It's the same thing.

SKILLICORN: I'd like to request sanctions against this Councilmember.

It's an opening question.

MAYOR FRIEDEL: Councilwoman McMahon, you have something you wanted to add to the agenda?

MCMAHON: Yes, I wanted to -- I said -- as I said, I would like to relook at our Rule of Civil Procedure 64B4. That's what I want. Thank you.

KALIVIANAKIS: And second that.

MAYOR FRIEDEL: Does anybody have anything else for -- for future agenda?

Okay. Can I get a motion to adjourn?

KALIVIANAKIS: Motion to adjourn.

MAYOR FRIEDEL: Second.

MCMAHON: Second.

MAYOR FRIEDEL: Second.

All in favor?

ALL: Aye

MAYOR FRIEDEL: Thank you.

Having no further business, Mayor Gerry M. Friedel adjourned the Regular Session of the Fountain Hills Town Council held on May 19, 2026, at 6:27 p.m.

APPROVED:

TOWN OF FOUNTAIN HILLS

Gerry M. Friedel, Mayor

ATTEST:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting held by the Town Council of Fountain Hills on the 19th day of May 2026. I further certify that the meeting was duly called and that a quorum was present.

Bevelyn J. Bender, Town Clerk





TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Administration / Finance
Prepared by: Michael Stelpstra, Accountant
Staff Contact Information: Phone: 480-816-5165
Email: mstelpstra@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Council approval recommending to the Arizona Department of Liquor Licenses and Control, the application for an extension of premises/patio permit for Parkview Taphouse, located at 16832 Parkview Ave, Fountain Hills, Arizona 85268

Staff Summary (background)

The purpose of this item is to obtain the Town Council's recommendation (approval or disapproval) regarding the application for an extension of premises/patio permit submitted by MMDCNG LLC, agent of Parkview Taphouse, for submission to the Arizona Department of Liquor Licenses and Control. Staff reviewed the extension of premises/patio permit application and found that it is in full compliance with Town Ordinances.

Related Ordinance, Policy or Guiding Principle

A.R.S. §4-201; 4-202; 4-203; 4-205 and R19-1-102.

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends the Council recommend approval of the liquor license application to the Arizona Department of Liquor Licenses and Control.

Suggested Motion

MOVE TO APPROVE Council's recommendation for approval provided to the Arizona Department of Liquor Licenses and Control, regarding the application for an extension of premises/patio permit for MMDCNG LLC, agent of Parkview Taphouse.

FISCAL IMPACT

Fiscal Impact: N/A

Budget Reference: N/A

Funding Source: N/A

ATTACHMENTS

- | |
|--|
| 1. Parkview Taphouse Ext of Premises 06032026_Redacted |
|--|

RECEIVED

JUN 03 2026



FOUNTAIN HILLS
FINANCE

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

DLIC USE ONLY

CSR:

Log #:

APPLICATION FOR EXTENSION OF PREMISES/PATIO PERMIT

OBTAIN APPROVAL FROM LOCAL GOVERNING BOARD BEFORE SUBMITTING TO THE DEPARTMENT OF LIQUOR

Notice: Allow 30-45 days to process permanent change of premises

☒ Permanent change of area of service. A non-refundable \$50. Fee will apply. Specific purpose for change:

PATIOS & OPEN AIR SPACE AND BUILDING

☐ Temporary change (No Fee) for date(s) of: ___/___/___ through ___/___/___ list specific purpose for change:

1. Licensee's Name: MMD CNG LLC License #: 012070004072
2. Mailing address: [REDACTED]
3. Business Name: PARKVIEW TAPHOUSE
4. Business Address: 16832 PARKVIEW AVE FOUNTAIN HILLS AZ 85268
State Zip Code
5. Email Address: [REDACTED]
6. Business Phone Number: 480-837-4884 Contact Phone Number: [REDACTED]
7. Is extension of premises/patio complete?
☒ N/A ☐ Yes ☐ No If no, what is your estimated completion date? ___/___/___
8. Do you understand Arizona Liquor Laws and Regulations?
☒ Yes ☐ No
9. Does this extension bring your premises within 300 feet of a church or school?
☐ Yes ☒ No
10. Have you received approved Liquor Law Training?
☒ Yes ☐ No
11. What security precautions will be taken to prevent liquor violations in the extended area? ENCLOSED
PATIO AREA / FENCING

12. **IMPORTANT:** Attach the revised floor plan, clearly depicting your licensed premises along with the new extended area outlined in black marker or ink, if the extended area is not outlined and marked "extension" we cannot accept the application.

- ☐ Barrier Exemption: an exception to the requirement of barriers surrounding a patio/outdoor serving area may be requested. Barrier exemptions are granted based on public safety, pedestrian traffic, and other factors unique to a licensed premises. List specific reasons for exemption:

☐ Approval ☐ Disapproval by DLLC:

Date: ____/____/____

Notary

I, (Signature) _____, hereby declare that I am a **CONTROLLING PERSON/ AGENT** filing this notification. I have read this document and the contents and all statements are true, correct and complete.

State of Arizona)

County of Maricopa)

On this 4 Day of June, 20 26 before me personally appeared Milton G. baldon
Day Month Year (Print Name of Document Signer)

Whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be and acknowledged that he or she signed the above/attached document.

(Affix Seal Above)



PHYLLIS A PADGETT-ESPIRITU
Notary Public - Arizona
Maricopa County
Commission # 672434
My Comm. Expires Sep 6, 2028

Signature of NOTARY PUBLIC

GOVERNING BOARD

After completion, and **BEFORE submitting to the Department of Liquor**, please take this application to your local Board of Supervisors, City Council or Designate for their recommendation. This recommendation is not binding on the Department of Liquor.

☐ Approval

☐ Disapproval

Authorized Signature

Title

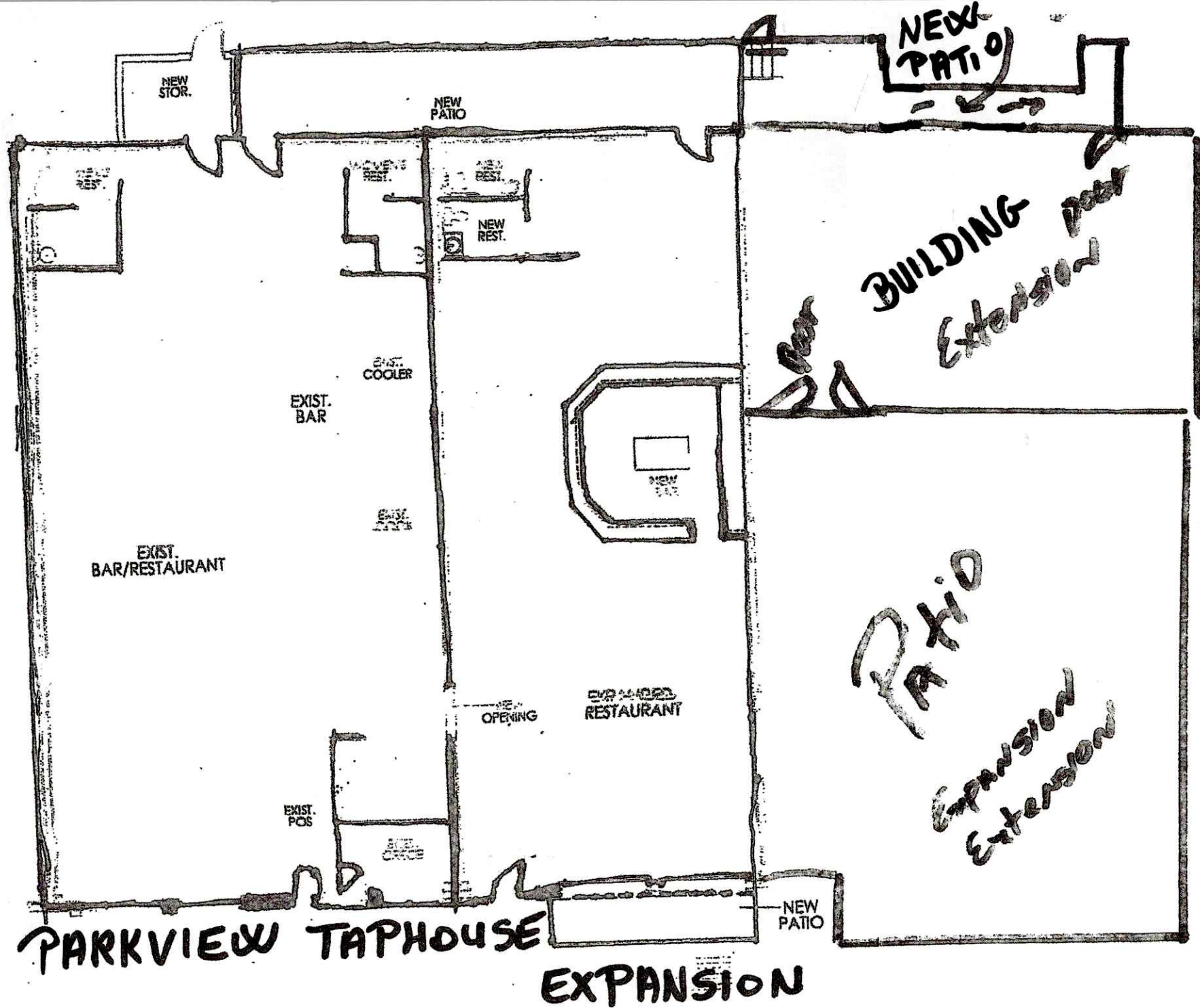
Agency

Date

DLLC USE ONLY

Investigation Recommendation: ☐ Approval ☐ Disapproval by: _____ Date: ____/____/____

Director Signature required for Disapprovals: _____ Date: ____/____/____



RESOLUTION NO. 2026-10

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, APPROVING THE INTERGOVERNMENTAL AGREEMENT WITH THE FOUNTAIN HILLS SANITARY DISTRICT FOR THE GOLDEN EAGLE PARK DAM-DEBRIS MITIGATION IMPROVEMENT PROJECT - PHASE II.

RECITALS:

WHEREAS, The Town of Fountain Hills (“Town”) owns and maintains the Golden Eagle Park Dam; and

WHEREAS, The Fountain Hills Sanitary District (“District”) owns and operates sanitary sewer infrastructure within the project area; and

WHEREAS, The Town and the District have developed coordinated improvements consisting of debris mitigation structures and sanitary sewer manhole protection improvements; and

WHEREAS, The Town and the District desire to combine these improvements into a single construction project for efficiency and cost-effectiveness; and

WHEREAS, The Town desires to enter into an Intergovernmental Agreement, dated June 16th, 2026 (the “Agreement”) with the District to establish roles, responsibilities, and fiscal obligations for the Project; and

WHEREAS, The Town will serve as the lead agency for procurement and construction administration under the proposed Agreement; and

WHEREAS, The Town has entered into a separate Intergovernmental Agreement with the Maricopa County Flood Control District (“MCFCD”) for partial reimbursement of the Town’s eligible project costs; and

WHEREAS, The District’s portion of the Project is not included in the scope of the MCFCD agreement and is not eligible for reimbursement from MCFCD; and

WHEREAS, Arizona law (A.R.S. §11-951 et seq.) authorizes public agencies to enter into intergovernmental agreements;

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

ENACTMENTS:

SECTION 1. The Town Council approves the Intergovernmental Agreement with the Fountain Hills Sanitary District for the Golden Eagle Park Dam–Debris Mitigation Improvement Project – Phase II.

SECTION 2. The Town Manager is authorized to execute the Intergovernmental Agreement and any related documents, subject to approval as to form by the Town Attorney.

SECTION 3. The Town shall administer the construction contract, remit payment to the contractor, and receive reimbursement from the District for all District-related project costs.

SECTION 4. The Town shall separately pursue reimbursement from MCFCD for eligible Town project costs only, consistent with the Town’s agreement with MCFCD.

SECTION 5. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to cause the execution of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, June 16, 2026.

REVIEWED BY:

Rachael Goodwin, Town Manager

APPROVED AS TO FORM:

Jennifer Wright, Town Attorney

FOR THE TOWN OF FOUNTAIN HILLS:

Gerry Friedel, Mayor

ATTESTED TO:

Beverly Bender, Town Clerk

EXHIBIT A
TO
RESOLUTION NO. 2026-10
(Intergovernmental Agreement)

See following pages.

Intergovernmental Agreement
for the
Golden Eagle Park Dam-Debris Mitigation Improvement Project – Phase II
between the
Town of Fountain Hills
and the
Fountain Hills Sanitary District
Agenda Item _____

PARTIES

This Intergovernmental Agreement (“Agreement” of “IGA”) is entered into this 16th day of June, 2026 (the “Effective Date”), by and between the Town of Fountain Hills, Arizona, a municipal corporation of the State of Arizona (“Town”), and the Fountain Hills Sanitary District, a political subdivision of the State of Arizona (“District”). The Town and the District shall be referred to herein as a “Party” and collectively as the “Parties”.

STATUTORY AUTHORIZATION

1. This Agreement is entered into pursuant to A.R.S. §11-951 et seq., which authorizes public agencies to contract for joint or cooperative action.

PURPOSE OF THE AGREEMENT

2. The purpose of this Agreement is to establish roles, responsibilities, and fiscal obligations for the Golden Eagle Dam Improvement Project – Phase II (“Project”). The Project combines two coordinated improvements:
 - 2.1 Town Component: Debris deflector structures and dam access barrier improvements
 - 2.2 District Component: Sanitary sewer manhole protection improvements
3. These improvements have been combined into a single construction effort for efficiency and cost-effectiveness

SCOPE OF WORK

4. Town Scope
The Town shall be responsible for:
 - 4.1 Construction of debris deflector structures and access barrier improvements
 - 4.2 All costs associated with the Town portion of the Project
5. District Scope
District shall be responsible for:
 - 5.1 Construction of sanitary sewer manhole protection improvements
 - 5.2 All costs associated with the District portion of the Project

PROJECT ADMINISTRATION

6. The Town shall serve as the lead agency for the Project and shall:
 - 6.1 Procure the construction contractor
 - 6.2 Procure construction management and CQA services
 - 6.3 Administer the construction contract
 - 6.4 Provide construction oversight
 - 6.5 The Town shall have full authority to manage procurement, contract administration, and construction decisions, subject to coordination with the District on matters affecting the District's scope of work.

This structure is consistent with the project delivery approach documented in the Construction Quality Assurance Plan

COST RESPONSIBILITIES

7. Town Costs
The Town shall be responsible for all costs associated with its portion of the Project, including debris deflector structures and related improvements.
Estimated Town project cost: approximately **\$191,300** .
8. District Costs
District shall be responsible for all costs associated with its portion of the Project, including manhole protection improvements.
Estimated District project cost: approximately **\$122,500**

OTHER FUNDING SOURCES

9. The Town has entered into a separate Intergovernmental Agreement with the Maricopa County Flood Control District (MCFCF) for partial reimbursement of the Town's Project costs.
 - 9.1 MCFCF reimbursement applies only to eligible costs associated with the Town's portion of the Project.
 - 9.2 The District's portion of the Project is not included in the scope of the MCFCF agreement and is not eligible for reimbursement by MCFCF.
 - 9.3 Nothing in this Agreement shall be construed to obligate the Town to seek or obtain MCFCF reimbursement on behalf of the District.

PAYMENT AND REIMBURSEMENT

10. The Contractor shall submit itemized invoices clearly identifying:
 - 10.1 Town-related work
 - 10.2 District-related work
11. The Town shall:
 - 11.1 Review and approve all invoices
 - 11.2 Remit payment to the Contractor for 100% of each invoice
12. District shall:
 - 12.1 Reimburse the Town for 100% of District-related costs
 - 12.2 Submit payment within 30 days of receiving invoice documentation

12.3 In the event the District disputes any portion of an invoice, the undisputed portion shall be paid within the 30-day period, and the Parties shall work in good faith to resolve the disputed portion.

RECORDKEEPING AND AUDIT

13. The Town shall maintain complete financial records for the Project. District shall have the right to review records related to its portion of the work.

TERM

14. This Agreement shall remain in effect until:

14.1 Completion of construction, and

14.2 Final reconciliation of all payments between the Parties

INDEMNIFICATION

15. Each Party shall be responsible for its own acts, errors, and omissions to the extent permitted by Arizona law.

TERMINATION

16. This Agreement may be terminated by mutual written agreement of both Parties.

AMENDMENTS

17. This Agreement may only be amended by written agreement executed by both Parties.

LEGAL REVIEW AND APPROVAL

18. This Agreement has been reviewed and approved by the legal counsel for each Party. Execution of this Agreement constitutes such approval.

NO THIRD-PARTY BENEFICIARIES

19. This Agreement does not create any rights in any third party.

COMPLIANCE WITH LAWS

20. The Parties shall comply with all applicable federal, state, and local laws.

TOWN OF FOUNTAIN HILLS

FOUNTAIN HILLS SANITARY DISTRICT

Rachael Goodwin, Town Manager

Dana Trompke, PE, District Manager

Date: _____

Date: _____

ATTEST:

ATTEST:

Town Clerk

Administrative Services Manager

The foregoing Intergovernmental Agreement has been reviewed pursuant to A.R.S. §11-952, as amended, by the undersigned General Counsel, who has determined that it is in proper form and within the powers and authority granted under the laws of the State of Arizona.

Jennifer Wright
Attorney for the Town of Fountain Hills

Daniel Jones
Attorney for the Fountain Hills Sanitary District



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Administration
Prepared by: Rachael Goodwin, Town Manager
Staff Contact Information: Phone: 480-816-5166
Email: rgoodwin@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Approving Resolution 2026-17, a Cooperation Agreement between the Town of Fountain Hills and Maricopa County, for participation in the Community Development Block Grant (CDBG) Program.

Staff Summary (background)

Background

The Community Development Block Grant (CDBG) Program is a federal program administered by the U.S. Department of Housing and Urban Development (HUD). Maricopa County administers the Maricopa Urban County CDBG Program for eligible municipalities that are not direct CDBG entitlement communities. Through the Urban County structure, eligible cities and towns may be included in the County's consolidated planning process and may remain eligible for County-administered CDBG-related programs, subject to applicable program requirements and funding availability.

Prior Council Action

The Town initially joined the Maricopa Urban County CDBG Program in 2017. The Town Council subsequently approved continued participation through three-year renewals in 2020 and 2023. The 2026 action is consistent with those prior Council actions and would continue the Town's participation for the next three-year period, July 1, 2026 through June 30, 2029. For this cycle, Maricopa County has provided a new Cooperation Agreement rather than another amendment so that each participating municipality has a clean and complete agreement reflecting current HUD requirements.

Current Action

The proposed Cooperation Agreement would continue the Town's participation in the Maricopa Urban County CDBG Program for the 2027, 2028, and 2029 HUD program years. Approval of the agreement does not guarantee that CDBG funding will be awarded to the Town or to any specific Town project. However, participation keeps the Town and eligible residents within the County-administered CDBG framework and preserves the opportunity for the Town, or qualifying Fountain Hills residents, to benefit from eligible County-administered programs when available.

A key benefit of continued participation is that Maricopa County remains responsible for the primary administrative, planning, filing, and reporting requirements associated with the Urban

County CDBG Program. Approval of the Cooperation Agreement itself does not require a Town appropriation, local match, or expenditure of Town funds. It also does not commit the Town to administer a specific project or program. The agreement does include standard cooperation and federal compliance provisions associated with participation in the Urban County CDBG Program. If a future CDBG-funded Town project or activity were proposed that required Town resources, that item would be evaluated separately at that time.

CDBG Program Context

CDBG-funded programs are generally targeted to low- and moderate-income persons, households, or qualifying areas. Because Fountain Hills does not have the same concentration of low- and moderate-income areas as some other parts of the County, the Town is less likely to qualify for larger area-based municipal infrastructure projects, such as street, sidewalk, water, sewer, ADA accessibility, lighting, or other public facility improvements, unless the specific service area for the project satisfies applicable CDBG eligibility requirements.

For context, Maricopa County's CDBG Program has supported or proposed similar types of improvements in other Urban County communities, including roadway improvements, curb and gutter repairs, ADA sidewalk ramp improvements, sewer service line replacement, waterline replacement, neighborhood lighting improvements, fire safety equipment, public service programs, emergency shelter services, and owner-occupied housing rehabilitation. These examples illustrate the range of eligible CDBG uses in qualifying communities and service areas, but they should not be interpreted as an expectation that Fountain Hills would qualify for similar municipal infrastructure funding.

For Fountain Hills, the more practical benefit of continued participation may be preserving eligibility for qualifying individual residents located throughout the community. One example is Maricopa County's Emergency Home Repair Program, which assists eligible low-to moderate-income homeowners with urgent health and safety repairs. Based on information provided by County staff, Fountain Hills residents who have used this program have typically received assistance with HVAC-related repairs or replacements. The program is income-qualified and subject to eligibility requirements, including household income and asset limitations, so relatively few Fountain Hills residents are expected to qualify. However, County staff has verbally advised Town staff that approximately six Fountain Hills residents over the past six years, or roughly one resident per year, have been able to use the Emergency Home Repair Program because the Town participated in the Urban County CDBG Program. County staff indicated those residents would not have been eligible if the Town were not participating in the program.

Continued participation may also provide flexibility in unusual or emergency circumstances. During the COVID-19 pandemic, qualifying Fountain Hills residents were able to apply for and receive County-administered rental and utility assistance through COVID-related funding. Continued participation helps maintain the Town's inclusion in the County-administered framework so that eligible residents may access similar assistance programs if funding and program criteria allow in the future.

For these reasons, staff recommends continued participation. The agreement has no direct fiscal impact to the Town, maintains eligibility for potential future CDBG-related opportunities, and may help qualifying residents access County-administered assistance programs, including emergency assistance programs when available.

Related Ordinance, Policy or Guiding Principle

A.R.S. § 11-952; HUD Community Development Block Grant Urban County participation requirements.

Risk Analysis

Approval of the Resolution and Cooperation Agreement would continue the Town's participation in the Maricopa Urban County CDBG Program for the next three-year cycle. There is no direct cost to the Town to approve the agreement, and participation may provide access to future County-administered CDBG-related opportunities for the Town or qualifying residents.

If the Town does not approve the Cooperation Agreement, the Town would not participate in the Maricopa Urban County CDBG Program for the 2027-2029 program period. This could make the Town and qualifying Fountain Hills residents ineligible for certain County-administered CDBG-related programs and assistance during that period.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends Council adoption of the resolution.

Suggested Motion

MOVE TO APPROVE Resolution 2026-17

FISCAL IMPACT

Fiscal Impact: There is no direct fiscal impact associated with approving the Cooperation Agreement. Approval does not require a Town appropriation, local match, or commitment of Town funds. Any future project or activity requiring Town resources would be reviewed separately.

Budget Reference: N/A

Funding Source: N/A

ATTACHMENTS

- | | |
|----|---|
| 1. | Town of Fountain Hills Notification for UC CDBG LOI |
| 2. | Resolution 2026-17 CDBG-and Cooperation Agreement |



February 26, 2026

The Honorable Gerry Friedel, Mayor
Town of Fountain Hills
16705 E Avenue of the Fountains
Fountain Hills, AZ 85268

Sent via U.S. Mail & eMail

RE: NOTIFICATION OF OPPORTUNITY TO BE INCLUDED OR EXCLUDED FROM THE MARICOPA URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

Dear Mayor Friedel,

The Town of Fountain Hills currently **has** a Cooperation Agreement with Maricopa County for your municipality's population to be included in the Maricopa Urban County CDBG program.

The U.S. Department of Housing and Urban Development (HUD) requires a Cooperation Agreement to be executed by all units of local government wishing to participate in the **Maricopa Urban County CDBG Program (UC CDBG Program)**. The Maricopa County Human Services Department, through its Housing and Community Development Division (HCD), serves as administrator of the UC CDBG Program, and must ensure completion and submission to HUD of the Cooperation Agreements and any other required documents for the participating Cities and Towns.

The Town of Fountain Hills has the option to elect having its population included in or excluded from the UC CDBG Program. The decision will be effective for the **three-year period of July 1, 2026 through June 30, 2029 for HUD program years 2027, 2028 and 2029**. A proposed draft of the agreement is forthcoming. We are awaiting the HUD CPD Notice to review required provisions and legal approval.

To meet HUD deadlines the County needs to receive a letter indicating your municipality's decision to be included or excluded from the UC CDBG Program **no later than March 13, 2026**.

To be **included**: Submit

- A formal letter of intent confirming approval from the governing body for your municipality to opt in and enter into the three-year agreement by **March 13, 2026**.
- The Executed three-year Cooperative Agreement (IGA) Amendment and resolution authorizing the action by **June 15, 2026**.

The Maricopa County Board of Supervisors' action to approve the IGA is scheduled for June 24, 2026.

To be **excluded**: Submit a letter confirming your municipality's exclusion from the Maricopa Urban County CDBG Program.

Failure to receive a response from your municipality by **March 13, 2026** will be interpreted as an election to be included in the Maricopa County HUD programs. If this occurs, Maricopa County will reach out for clarification on included/excluded status.



Human Services
234 N. Central Ave., Suite 3000
Phoenix, Arizona 85004

P: 602.506.0131
E: HCD@Maricopa.gov

If you have any questions regarding the Cooperation Agreement or participation in the Maricopa Urban County CDBG Program, please contact Jamie Macfarlane, Assistant Director Housing and Community Development, by email at jamie.macfarlane@maricopa.gov.

Sincerely,

Tamara Bridwell

Tamara Bridwell (Feb 26, 2026 13:22:37 MST)

Tamara Bridwell
Director, Human Services Department

cc: Town of Fountain Hills
Rachel Goodwin, Town Manager

Maricopa County Human Services
Jamie Macfarlane, Assistant Director, Housing and Community Development
Stephanie Torigian, Planning & Compliance Coordinator, Housing and Community Development
Emily Garcia, CDBG Coordinator, Housing and Community Development



RESOLUTION NO. 2026-17

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, MARICOPA COUNTY, ARIZONA, APPROVING THE COOPERATION AGREEMENT WITH MARICOPA COUNTY, ADMINISTERED BY ITS HUMAN SERVICES DEPARTMENT, TO ESTABLISH THE TOWN'S PARTICIPATION IN THE MARICOPA COUNTY URBAN COUNTY PROGRAM FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S (HUD) COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM; AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT.

WHEREAS, the Town of Fountain Hills participates in federal housing and community development programs administered through Maricopa County and funded by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, participation in these programs requires the Town to enter into a Cooperation Agreement with Maricopa County to establish eligibility and participation in HUD-funded programs, including the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and other related HUD programs; and

WHEREAS, the proposed Cooperation Agreement establishes participation for a three-year period effective July 1, 2026, covering Federal Fiscal Years 2027, 2028, and 2029;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, as follows:

SECTION 1. The Mayor and Council hereby approve the Cooperation Agreement with Maricopa County, in substantially the form attached hereto as Exhibit A, for the Town's participation in HUD-funded programs for Federal Fiscal Years 2027, 2028, and 2029, together with any non-substantive amendments or administrative modifications necessary to carry out the intent of the agreement.

SECTION 2. The Mayor of the Town of Fountain Hills is hereby authorized and directed to execute the Cooperation Agreement and any associated documents necessary to implement the Town's participation in such programs.

SECTION 3. The various Town officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Resolution.

SECTION 4. This Resolution shall become effective immediately upon its passage and adoption by the Town Council of the Town of Fountain Hills, Arizona, and its approval by the Mayor and attestation by the Town Clerk.

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, this 16th day of June, 2026.

FOR THE TOWN OF FOUNTAIN HILLS: ATTESTED TO:

Mayor

Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

Town Manager

Town Attorney

EXHIBIT A
TO
RESOLUTION NO. 2026-17

Cooperation Agreement Between Maricopa County and the Town of Fountain Hills
for a Community Development Block Grant Program
See following pages

**A COOPERATION AGREEMENT BETWEEN MARICOPA COUNTY
AND
PARTICIPATING MUNICIPALITY
FOR A COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

THIS AGREEMENT is made and entered into this 24th day of June, 2026 by and between Maricopa County, a political subdivision of the State of Arizona, hereinafter called "County", and the Town of Fountain Hills, located in the County of Maricopa, hereinafter called "Municipality"; used individually or collectively, hereinafter called "Party" or "Parties".

W I T N E S S E T H

Whereas two laws have been enacted, Public Law 93-383, the Housing and Community Development Act of 1974, Title I as amended, and Public Law 101-625, HOME Investment Partnership Act at Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended; hereafter called "the Acts"; and

Whereas the County, as an "Urban County", as that term is used in the Acts, is eligible to receive funds under the Acts, has final responsibility for selecting Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) activities, and is authorized to undertake or to assist in the undertaking of essential community development and housing assistance activities which shall be funded from annual CDBG, HOME and ESG grants from Federal Fiscal Years 2027, 2028, 2029 appropriations and from any program income generated from the expenditure of such funds, and

Whereas the CDBG, HOME and ESG regulations issued pursuant to the Acts provide that qualified Urban Counties must submit a Consolidated Plan and Annual Action Plans hereafter called "Plan" or "Plans", and Consolidated Annual Performance and Evaluation Reports (CAPERs) to the U.S. Department of Housing and Urban Development (HUD) for use of funds and that cities and towns within the metropolitan area not qualifying as metropolitan cities may join the County in said Plans and CAPERs and thereby become a part of a more comprehensive Urban County effort.

NOW THEREFORE, the County and Municipality agree as follows:

1. This Agreement shall cover the CDBG Entitlement program, the HOME Investment Partnership (HOME) and Emergency Solutions Grants (ESG) Programs.

2. The period of performance of this Agreement shall:
 - a. Be for the Federal Fiscal Years 2027, 2028 and 2029, (July 1, 2026 through June 30, 2029) under the plan which shall commence on the date of HUD approval of the County's Annual Action Plan; and
 - b. Remain in effect until the CDBG, HOME and ESG funds and the program income received with respect to activities carried out during the three-year qualification period and any successive qualification period, if applicable, are expended and the funded activities, including all reporting requirements, completed.
 - c. The County and the Municipality cannot terminate or withdraw from the cooperation agreement while it remains in effect. Subject to renewal in Paragraph 3, this Agreement shall remain in effect until either funds are expended, or the funded activities are completed, or the three-year period has concluded, whichever occurs first.
3. Automatic Renewal:
 - a. The Agreement may be automatically renewed, by amendment, for participation in one successive three-year qualification period unless the County or the Municipality provides written notice electing not to participate in a new qualification period. The Agreement may be in place for only a maximum of six years (two qualification periods) before the Parties must re-authorize and re-execute a new agreement.
 - b. By the date specified in the HUD Urban County Qualification Notice for the next qualification period, the County shall notify the Municipality in writing of the Municipality's right not to participate.
 - c. A copy of the County's notification to the Municipality will be sent to the HUD Field Office by the date specified in Section II of the HUD's urban county qualification schedule.
 - d. Failure by either Party to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s) for subsequent qualification cycles, when applicable, or to submit such amendment to HUD by the due date, will void the automatic renewal of such qualification period.
4. The County and the Municipality agree to cooperate to undertake, or assist in undertaking, essential community renewal and lower income housing assistance activities as approved and authorized between Parties in the CDBG Agreements, including the Consolidated Plan.
5. The County and the Municipality shall take all actions necessary to assure compliance with the County's certification under Section 104(b) of Title I of the

Housing and Community Development Act of 1974. The grant will be conducted and administered in conformity with:

- a) Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 C.F.R. Part 1); and
 - b) the Fair Housing Act, the implementing regulations at 24 C.F.R. Part 100, and the obligation to affirmatively further fair housing (AFFH); and
 - c) Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 C.F.R. Part 6, which incorporate:
 - Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 C.F.R. Part 8;
 - Title II of the Americans with Disabilities Act of 1974, and the implementing regulations at 28 C.F.R. Part 35;
 - the Age Discrimination Act of 1975, and the implementing regulations at 24 C.F.R. Part 146;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 49 C.F.R. Part 24;
 - Section 104(d) of Housing and Community Development Act of 1974, and the implementing regulations at 24 C.F.R. Part 42; and
 - d) Other applicable laws
6. The Parties agree that Urban County funding in no event will be used for activities in, or in support of, any cooperating unit of general local government that impedes the County's actions to comply with the County's fair housing certification and duty to affirmatively further fair housing.
 7. The County and the Municipality recognize that pursuant to 24 C.F.R. section 570.501(b), the Municipality is subject to the same requirements applicable to subrecipients, including the requirement for a written agreement as described in 24 C.F.R. section 570.503.
 8. The County and the Municipality recognize that:
 - a. The County is the governmental entity required to execute any grant agreement received pursuant to its Plan, and that the County shall thereby become legally liable and responsible thereunder for the proper performance of the Plan and program.
 - b. The County has final responsibility for selecting CDBG, HOME, and ESG activities and submitting the Consolidated Plan to HUD for the County and the HOME Consortium.

- c. Further, the Municipality agrees to hold the County harmless from any loss, damage or liability that may arise out of the performance or failure to carry out the requirements of this program where the Municipality has been given responsibility over any aspect of the program by the County.
9. The County and the Municipality agree that a fully executed amendment or amendments to this Agreement shall be entered into only as required for the purpose of complying with any grant agreement received or regulations issued pursuant to the Acts.
10. The County and Municipality agree that the terms, conditions and obligations of this Agreement are enforceable and shall remain in effect until such time as the Agreement is not renewed pursuant to Paragraphs 2 and 3. Notwithstanding the foregoing, if any action is taken by any federal agency or instrumentality to suspend, decrease or terminate its fiscal obligation affecting the capacity of the Parties to continue this Agreement, the Parties may amend, suspend, decrease or terminate its obligations under or in connection with this Agreement.
11. This Agreement is subject to the provisions of A.R.S. § 38-511.
12. To assist the County in performing its functions under the Acts, there shall be a Community Development Advisory Committee, hereafter called "CDAC", authorized by the County Board of Supervisors consisting of representatives from the County districts and cooperating municipalities. CDAC's recommendations shall be advisory and shall not bind the County.
13. The County agrees to include the Municipality in its Plans under the Acts.
14. The participating Municipality understands and agrees that it:
 - a. May not apply for grants from appropriations under the State CDBG Programs during the period in which it participates in the County's CDBG Program.
 - b. May receive a formula allocation under the HOME Program only through the County. Thus, even if the County does not receive a HOME formula allocation, the Municipality cannot form a HOME consortium with other local governments and shall not participate in a HOME consortium except through the County.
 - c. May receive a formula allocation under the ESG Program only through the County.
15. The Municipality has adopted and is enforcing:
 - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

- b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.
- 16. The Municipality agrees that it shall be included in the Plan the County makes to HUD for Title I Housing, and CDBG, HOME and ESG funds, and that the population of the Municipality shall be utilized along with the population of other municipalities and the unincorporated areas of the County to qualify the County at the population level necessary to be an Urban County as defined under the Acts.
- 17. The Municipality agrees to undertake certain actions as determined by the County to carry out a community development program and the approved Consolidated Plan and/or to meet other requirements of the CDBG, HOME and ESG Programs and other applicable laws. These actions include but are not limited to:
 - a. Completion of a performance report on an annual and five-year basis in a format and by such deadlines as determined by the County to be used in the HUD required CAPER.
- 18. The Municipality agrees it shall cooperate with the County in all efforts hereunder and that it shall assist in doing any and all things required and appropriate to comply with the provisions of any grant agreement received by the County pursuant to the Acts and regulations in carrying out CDBG, HOME and ESG programs and the approved Consolidated Plan, as well as other applicable State and local laws.
- 19. The undersigned Municipality hereby authorizes Maricopa County to act on its behalf and to modify and amend this Cooperation Agreement in any way required in order to comply with federal statute or regulation.
- 20. Immigration law and regulations certifications – The President’s Executive Order 13465 of June 6, 2008 and Arizona Revised Statutes (A.R.S.) section 41-4401, requires all government entities to ensure that each government entity, contractor and subcontractor it conducts business with complies with federal immigration laws and regulations that relate to their employees and A.R.S. section 23-214, subsection A. All governmental entities, vendors, contractors and subcontractors MUST certify use of the **E-Verify System** established by the Department of Homeland Security.
- 21. The undersigned Municipality understands that:
 - a. If any provision or portion of a provision of this Agreement is determined to be invalid or unenforceable, it shall be deemed omitted and the remaining provisions of this Agreement shall remain in full force and effect.
 - b. Except where Federal statutes apply, this Agreement is governed by and construed in accordance with the laws of the State of Arizona.

- c. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and all prior agreements, representations, statements and undertakings are hereby expressly cancelled.
- 22. The County and the Municipality understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a Metropolitan City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended.
- 23. The County and the Municipality understand and agree this Agreement must be authorized and signed by the governing bodies of County and Municipality.
- 24. This Agreement, and any renewals and/or amendments to the Agreement, may be executed in multiple counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. This Agreement may be executed by electronic (.pdf) signature. An electronic signature shall be treated as an original signature for all purposes.

IN WITNESS WHEREOF, the Parties have caused the Cooperation Agreement to be executed this _____ day of _____, 2026.

TOWN OF FOUNTAIN HILLS

MARICOPA COUNTY

BY: _____
Town Mayor

BY: _____
Chair, Board of Supervisors

ATTEST:

ATTEST:

BY: _____
Clerk of the Municipality

BY: _____
Clerk of the Board

Date

Date

The terms and provisions of this Agreement are fully authorized under State and local law and provide the County with the authority to undertake and assist in undertaking essential community development and housing assistance activities.

APPROVED AS TO FORM:

APPROVED AS TO FORM:

BY: _____
Attorney for Municipality

BY: _____
Deputy County Attorney

Date

Date



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Administration / Administrative Services
Prepared by: David Trimble, Deputy Town Manager/Administrative Services Director
Staff Contact Information: Phone: 480-816-5125
Email: dtrimble@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Regarding the Town Council's direct-report employment contract amendments and/or updated agreements, as applicable, for the Town Manager, Town Attorney, Town Prosecutor, and Presiding Judge/Town Magistrate, and authorizing the Mayor, Town Manager, Town Attorney, and Town Clerk to take all actions necessary to carry out the intent of the approvals.

Staff Summary (background)

Background

The Town Council has four direct reports: the Town Manager, Town Attorney, Town Prosecutor, and Presiding Judge/Town Magistrate. These positions are unique because they report directly to the Town Council rather than through the Town's regular employee supervisory structure.

The purpose of this item is to update and align the contracts for the Council's direct reports so that the Town Council can standardize the performance evaluation process and place that process on a fiscal year cadence. The Town's fiscal year begins July 1, and the Council has expressed a desire to conduct annual evaluations before the beginning of each new fiscal year. Aligning the contracts at this time will allow Council to review performance, consider any contract issues, and make compensation or other contract decisions in advance of the new fiscal year.

Over the past several months, the Town Council has met face-to-face with each of the four direct reports. During those meetings, Council reviewed performance and discussed any potential contract changes with each direct report.

The proposed action does not make all four relationships the same. Each position has a different legal and operational structure. The Town Manager and Presiding Judge/Town Magistrate are Town employees serving under employment agreements. The Town Attorney and Town Prosecutor are independent contractors serving under professional services agreements.

Prior Council Action

The Town Council appoints and oversees the Town Council's direct reports. The structure of

each relationship differs based on the position.

The Town Attorney has traditionally been provided through an outside law firm rather than as a Town employee. This structure has been in place for decades. The current Town Attorney services are provided through the LaSota Law Firm, with Jen Wright serving as Town Attorney. The current agreement began July 1, 2025. This is a contractor relationship, and Town Attorney services are provided through a set monthly contract amount. The Town Attorney also tracks time associated with Town services.

The Town Prosecutor has also traditionally been provided through an outside contractor arrangement. This structure has been in place for decades. The Town Prosecutor remains a contractor and is not a Town employee.

The Town Manager is a full-time Town employee appointed by the Town Council. Rachael Goodwin began employment with the Town in 2014, was appointed Interim Town Manager on April 3, 2023, and was appointed permanent Town Manager by the Town Council on October 3, 2023.

The Presiding Judge/Town Magistrate, Robert Melton, has served the Town since 2014. He is a Town employee serving under contract and has traditionally served in a part-time capacity. The Presiding Judge's current agreement became effective July 1, 2024, and runs through June 30, 2028. This is consistent with Town Code Section 5-2-1, which provides for an initial two-year term followed by subsequent four-year terms.

Current Action

The proposed action updates the direct report contracts and related compensation provisions as follows:

Town Attorney

The Town Attorney will remain a contractor through the LaSota Law Firm, with Jen Wright continuing to serve as Town Attorney. The contractor structure is not changing.

The proposed change would increase the Town Attorney's set monthly contract amount from \$18,000 to \$20,000, increasing the annual amount from \$216,000 to \$240,000 for the next fiscal year. For context, the existing agreement includes annual review language referencing CPI-related adjustments. Applying a 3.3% CPI factor to the current \$18,000 monthly amount would result in a CPI-adjusted reference amount of approximately \$18,594 per month, or \$223,128 annually. The proposed \$20,000 monthly amount is approximately 7.6% above that CPI-adjusted reference amount. The Town Attorney will continue to track time associated with Town services.

Town Prosecutor

The Town Prosecutor will remain a contractor. The contractor structure and compensation methodology are not changing.

The proposed action would approve an Amended and Restated Town Prosecutor Agreement. The restated agreement continues the existing contractor relationship and incorporates updated status reporting and coordination provisions into a single updated agreement.

The updated agreement would enhance status reporting by including prior-period and prior-

year context. The agreement would also require regular coordination with the Town Attorney. These changes are intended to improve communication and context for Council and staff while preserving the Town Prosecutor's reporting structure and independent prosecutorial discretion.

The Town Prosecutor's annual fee will increase from approximately \$144,766 to \$150,267. This increase was already provided for in the existing agreement and is not a newly negotiated term. Under the existing agreement, the Town Prosecutor receives the same across-the-board increase provided to Town employees. Therefore, the compensation adjustment would occur under the current agreement even without the proposed Amended and Restated Agreement.

Town Manager

The Town Manager will remain a full-time Town employee appointed by and reporting directly to the Town Council.

The proposed change would increase the Town Manager's annual salary to \$238,074. For context, the Town Manager's current annual salary is approximately \$206,268. Applying a 3.3% CPI factor to that amount would result in a CPI-adjusted reference salary of approximately \$213,075. The proposed salary is approximately \$25,000 above that CPI-adjusted reference amount, or approximately 11.7% above that reference amount. The adjustment is based on compensation information reviewed by the Town Council indicating that the Town Manager's salary was below the Maricopa County municipal manager peer average, including when population was considered.

The proposed agreement would also update the future annual adjustment language so that future adjustments are tied to the Town's employee Annual General Adjustment rather than CPI. This change is intended to align the Town Manager's agreement with the Town's fiscal year budget and evaluation cycle.

Presiding Judge/Town Magistrate

The Presiding Judge/Town Magistrate will remain a Town employee serving under contract. The current contract began July 1, 2024, and does not expire until June 30, 2028.

The Presiding Judge's current annual salary is approximately \$100,720. The Presiding Judge's compensation provision is not changing. Under the current agreement, the Presiding Judge receives the greater of a minimum 2.5% increase or, if Town employees receive a higher across-the-board increase, the same increase provided to Town employees. For the upcoming fiscal year, the Presiding Judge's salary would increase to approximately \$104,547 under that existing contract provision.

The Town Council is currently in negotiations with the Presiding Judge regarding possible contract changes that could include an increase in hours and eligibility for the Town's group health insurance plan. If the Presiding Judge's work schedule is increased so that he satisfies the eligibility requirements for the Town's group health insurance plan, the Town would be required to offer group health benefits and treat him the same as other Town employees who satisfy the plan's eligibility requirements.

The parties are also discussing possible offsetting compensation or benefit-related contract changes so that any expansion of eligibility for group health insurance would be cost-neutral

or nearly cost-neutral to the Town.

If no contract amendment is finalized for the Presiding Judge before this item is posted, the Presiding Judge's current agreement will remain in effect without change. In that case, Council action on this item would apply only to the other direct report agreements presented for approval, and any future change to the Presiding Judge's agreement would be brought back to Council at a later date.

Related Ordinance, Policy or Guiding Principle

Town Code Section 5-2-1; Town Council authority over Council-appointed positions and direct reports; applicable employment agreements, professional services agreements, and Town personnel and benefits policies.

Risk Analysis

Approval of the proposed contract updates would align the Council direct report contracts with the Town's fiscal year and support a standardized annual performance evaluation process. This would allow Council to evaluate performance and consider compensation or contract changes before the beginning of each fiscal year.

If the contracts are not updated, the Town may continue to have different contract terms, compensation adjustment methods, and evaluation timing among the Council's direct reports. This could make it more difficult to maintain a consistent annual review process and may require additional individual contract actions later in the fiscal year.

For the Presiding Judge/Town Magistrate, there is no immediate risk if a proposed amendment is not ready for Council consideration with this item. The current agreement remains in effect through June 30, 2028, and the existing compensation adjustment language will continue to apply unless amended by Council at a later date. If an amendment is finalized, the proposed terms may include offsetting compensation or benefit-related changes intended to make any expanded benefit eligibility cost-neutral or nearly cost-neutral to the Town.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends Council approval of the proposed contract amendments and/or updated agreements for the Town Council's direct reports that are presented with this item.

Suggested Motion

MOVE TO APPROVE the Town Council's direct-report employment contract amendments and/or updated agreements, as applicable, for the Town Manager, Town Attorney, Town Prosecutor, and Presiding Judge/Town Magistrate, and authorizing the Mayor, Town Manager, Town Attorney, and Town Clerk to take all actions necessary to carry out the intent of the approvals.

FISCAL IMPACT

Fiscal Impact:

The proposed agreements and amendments include increased FY 2026-27 compensation and

contract costs. The Town Attorney set monthly contract amount would increase from \$18,000 to \$20,000 per month, or from \$216,000 to \$240,000 annually. For context, applying a 3.3% CPI factor to the current \$18,000 monthly amount would result in a CPI-adjusted reference amount of approximately \$18,594 per month, or \$223,128 annually; the proposed \$20,000 monthly amount is approximately 7.6% above that CPI-adjusted reference amount. The Town Manager annual salary would increase to \$238,074. For context, applying a 3.3% CPI factor to the current annual salary of approximately \$206,268 would result in a CPI-adjusted reference salary of approximately \$213,075; the proposed salary is approximately \$25,000 above that CPI-adjusted reference amount, or approximately 11.7% above that reference amount, plus applicable employer payroll and benefit-related costs. The Town Prosecutor annual fee would increase from approximately \$144,766 to \$150,267 under the existing agreement formula. The Presiding Judge/Town Magistrate salary would increase from approximately \$100,720 to approximately \$104,547 under the existing agreement formula.

Any contract change that expands Presiding Judge/Town Magistrate eligibility for group health insurance may include offsetting compensation or benefit-related changes intended to be cost-neutral or nearly cost-neutral to the Town. Final fiscal impacts will depend on the agreements and amendments presented for approval.

Budget Reference:

FY 2026-27 Adopted Budget; General Fund — Administration, Legal, Prosecutor, and Court-related accounts.

Funding Source: General Fund

ATTACHMENTS

- | | |
|----|---|
| 1. | Council Direct Report Contract Summary |
| 2. | Prosecutor Contract 7-1-2026_signed by Iacovino |
| 3. | Town Manager_First Amendment_employment contract_07-01-2026_signed by Goodwin |
| 4. | Town Attorney First Amendment La Sota 07-01-2026 signed by LaSota |

Council Direct Report Contract Summary

Summary of proposed contract updates and key compensation terms for Town Council direct reports

Amounts are rounded or approximate where indicated. Final terms are controlled by the approved agreements/amendments.

Position	Relationship / Structure	Current Compensation	FY 2026-27 / Proposed Compensation	Summary of Change	Notes / Fiscal Impact
Town Manager	Full-time Town employee under employment agreement; appointed by and reporting directly to Town Council.	Approx. \$206,268 annual salary; 3.3% CPI-adjusted reference amount is approx. \$213,075	\$238,074 annual salary	Proposed salary is \$238,074, or approx. \$25,000 above the CPI-adjusted reference amount (approx. 11.7% above that reference amount). Future annual adjustment language updated so future adjustments are tied to the Town employee Annual General Adjustment rather than CPI.	Market compensation information reviewed by Council indicated the Town Manager salary was below the Maricopa County municipal manager peer average, including when population was considered.
Town Attorney	Independent contractor through outside law firm; services provided through the LaSota Law Firm with Jen Wright serving as Town Attorney.	\$216,000 annually (\$18,000 per month); 3.3% CPI-adjusted reference amount is approx. \$223,128 annually (\$18,594 per month)	\$240,000 annually (\$20,000 per month)	Proposed amount is \$240,000 annually (\$20,000 per month), or approx. \$16,872 above the CPI-adjusted reference amount (approx. 7.6% above that reference amount). Existing agreement includes annual review language referencing CPI. Contractor structure is not changing.	Town Attorney tracks time associated with Town services.
Town Prosecutor	Independent contractor; not a Town employee.	Approx. \$144,766 annually	Approx. \$150,267 annually	Amended and Restated Agreement continues the existing contractor relationship and incorporates enhanced status reporting, including prior-period and prior-year context, and regular coordination with the Town Attorney.	Compensation increase was already provided for in the existing agreement and is not a newly negotiated term. Compensation methodology is unchanged; reporting structure and independent prosecutorial discretion are preserved.
Presiding Judge / Town Magistrate	Town employee serving under contract; currently part-time. Current agreement effective July 1, 2024 through June 30, 2028.	Approx. \$100,720 annual salary	Approx. \$104,547 annual salary under existing contract formula, unless amended	Existing salary adjustment formula is not changing. Council and the Presiding Judge are discussing possible contract changes related to hours and eligibility for the Town group health insurance plan.	If benefit eligibility is expanded, the parties may include offsetting compensation or benefit-related changes intended to make the amendment cost-neutral or nearly cost-neutral to the Town. If no amendment is finalized, current agreement remains in effect.

Prepared for staff report packet; updated 2026-06-06.

**AMENDED AND RESTATED CONTRACT FOR LEGAL SERVICES
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
THE LAW OFFICE OF MARK IACOVINO**

THIS AMENDED AND RESTATED CONTRACT FOR LEGAL SERVICES (this "Contract") is made and entered into effective July 1, 2026, by and between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and the Law Office of Mark Iacovino, a sole proprietorship (the "Law Firm").

RECITALS

- A.** The Town has determined it to be in its best interest to contract with attorneys not in its employ who, by experience and training, are qualified to assist the Town in connection with prosecution of criminal cases in the Fountain Hills Municipal Court.
- B.** The Town has satisfied itself as to the qualifications of the Law Firm to assist the Town in connection with prosecution of criminal cases in the Fountain Hills Municipal Court.
- C.** The Town and the Law Firm entered into a Contract for Legal Services dated April 6, 2017, and now desire to amend and restate that contract effective July 1, 2026, to continue prosecution services and update certain reporting, coordination, and compensation provisions.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the mutual covenants set forth below, and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Town and the Law Firm agree as follows:

- 1. Scope of Service and Representation.** The Law Firm agrees to perform all necessary legal services of the Town Prosecutor's Office within the laws of the State of Arizona and the Arizona Rules of Professional Conduct, including, but not limited to, the following:
 - 1.1** Prepare for and appear at arraignments, arrange and conduct pre-trial conferences with defendants and/or attorneys, and try jury and non-jury trials.
 - 1.2** Review the file on each case, including police reports, previous convictions, and motions from defense attorneys.
 - 1.3** Prepare any necessary correspondence related to each case, excluding victim letters and correspondence, which shall be the responsibility of the Town's Victim Witness Advocate or other designated Town representative.
 - 1.4** Appear in the Fountain Hills Municipal Court to prosecute those who have violated state law or Town ordinances and make recommendations for conditions of release and sentencing.
 - 1.5** Advise the Town's law enforcement department or contract law enforcement provider on gathering and presentation of evidence, filing of charges, and other legal matters related to criminal cases; interview police officers, inspectors, and others presenting evidence for the Town.
 - 1.6** Perform legal research to support the Town's position(s) in hearings and trials as well as in response to defense motions.
 - 1.7** Provide statistical data concerning disposition of cases and prosecution activity as part of the reporting requirements set forth in Section 2 below.
 - 1.8** Act as an educational resource to Town staff, schools, civic organizations, and local advocacy groups as reasonably appropriate and consistent with the Law Firm's role as Town Prosecutor.
- 2. Advice, Status Reporting, and Coordination.**

- 2.1. Advice and Significant Developments.** The Law Firm shall provide the Town with timely advice of significant developments arising during performance of services under this Contract, orally or in writing, as the Law Firm considers appropriate. Upon request of the Town Manager, the Law Firm shall provide copies of pleadings and other documents prepared by the Law Firm, subject to applicable law, court rules, ethical obligations, and confidentiality requirements.
- 2.2. Quarterly Status Reports.** The Law Firm shall provide quarterly status reports to the Town Manager, Town Council, and Town Attorney. The reports shall include statistical data concerning the disposition of cases and other prosecution-related information reasonably requested by the Town. To provide context, the reports shall include comparison to prior reporting periods and comparable prior-year periods when such information is reasonably available.
- 2.3. Coordination with Town Attorney.** The Law Firm shall meet or confer regularly with the Town Attorney regarding matters of mutual legal, operational, or policy significance involving prosecution services, municipal court operations, Town ordinances, law enforcement coordination, appeals, public records issues, or other matters where coordination between the Town Attorney and Town Prosecutor is reasonably necessary. This coordination requirement does not alter the Law Firm's independent contractor status, prosecutorial discretion, professional obligations, or attorney-client duties.
- 3. Compensation.** For fiscal year 2026-2027, beginning July 1, 2026, the Town shall pay the Law Firm for services rendered under this Contract a flat annual amount of \$150,267.19, paid in 12 equal monthly installments, due in advance on the first day of each month. For each fiscal year after fiscal year 2026-2027, if the Town Council approves an Annual General Adjustment for Town employees generally, the Law Firm's compensation shall be increased by the same percentage, effective July 1 of that fiscal year. The Law Firm expressly agrees and understands that no adjustment to its compensation shall occur based on merit increases, market adjustments, equity adjustments, or other compensation adjustments provided to individual Town employees. If a notice of termination has been given pursuant to Section 16 below, the monthly amount payable shall be prorated according to the actual number of days during which the Law Firm will be providing services.
- 4. Term.** This Contract shall be effective July 1, 2026, and shall remain in full force and effect until terminated by either the Town or the Law Firm as set forth in Section 16 below.
- 5. Notices and Requests.** Any notice or other communication required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the Town:

Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268
Attn: Town Manager

With copy to:

Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268
Attn: Town Attorney

If to Law Firm:

The Law Office of Mark Iacovino
10105 E. Via Linda, #103-346
Scottsdale, AZ 85258
Attn: Mark Iacovino

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

6. **Conflict Issues.** The Law Firm warrants and covenants that the Law Firm presently has no interest in, nor shall any interest be hereinafter acquired in, any matter that will render the services required under this Contract a violation of any applicable state, local, or federal law or the Arizona Rules of Professional Conduct. In the event any conflict of interest should arise, the Law Firm shall promptly notify the Town of the existence of such conflict of interest so the Town may determine whether to terminate this Contract. Conflict issues are governed by the Arizona Rules of Professional Conduct. Otherwise, the Law Firm shall be free to dispose of such portion of its time, energy, and skill as is not required to be devoted to the Town in such manner as it sees fit, so long as no conflict of interest exists.
7. **Maintenance of Records.** In compliance with Town procedure, all work performed in connection with this Contract shall be subject to audit. The Law Firm shall maintain all books, documents, papers, and accounting records pertaining to this Contract and not related to particular prosecution case files and shall make such materials available at its offices at all reasonable times during the Contract period and for at least three years from the date of final payment for inspection by the Town or any authorized representatives of the Town, and copies thereof shall be furnished, if requested, at the Town's expense. The Town shall store and maintain all closed files. The destruction of such files shall be in accordance with applicable law and Arizona Attorney General Opinion 98-07.
8. **Indemnification.** To the fullest extent permitted by law, the Law Firm shall defend, indemnify, and hold harmless the Town, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses, and expenses relating to, arising out of, or resulting from the Law Firm's wrongful acts, errors, mistakes, or omissions relating to the Law Firm's services in the performance of this Contract. The Law Firm's duty to defend, hold harmless, and indemnify the Town, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss, or expense, including attorneys' fees, court costs, and the cost of appellate proceedings, caused by the Law Firm's wrongful acts, errors, mistakes, or omissions, work, or services in the performance of this Contract. The amount and type of insurance coverage requirements set forth below will not be construed as limiting the scope of the indemnity of this Section.
9. **Professional Liability Insurance.** Without limiting any of its obligations, the Law Firm, at the Law Firm's own expense, shall purchase and maintain the stipulated minimum insurance with companies duly licensed, possessing an AM Best, Inc. rating of B++ or better, approved and licensed to do business in the State of Arizona, with policies and forms reasonably satisfactory to the Town. Prior to commencing work under this Contract, the Law Firm shall furnish the Town certificates of insurance or formal endorsements issued by the Law Firm's insurer(s), as evidence that policies providing the required coverage, conditions, and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract and shall provide for not less than 30 days' advance notice of cancellation, termination, or material alteration to the extent available from the insurer. The Law Firm will maintain professional liability insurance covering errors and omissions arising out of the work or services performed by the Law Firm or any person employed by the Law Firm, with a limit of not less than \$500,000 each occurrence and \$500,000 all claims.
10. **Independent Contractor Status.** The services the Law Firm provides under the terms of this Contract to the Town are those of an independent contractor, not an employee. The Town will report

the value paid for these services each year to the Internal Revenue Service using Form 1099. Withholding of income tax is not deducted from contractual payments.

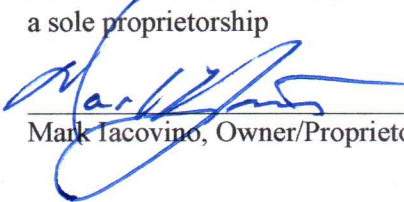
11. **Non-Assignment.** Services covered by this Contract shall not be assigned in whole or in part without the prior written consent of the Town.
12. **Governing Law.** This Contract shall be governed and interpreted according to the laws of the State of Arizona.
13. **Entire Agreement.** This Contract constitutes the entire understanding of the parties, and no representations or agreements, oral or written, made prior to its execution shall vary or modify the terms herein.
14. **Amendments.** Any amendment, modification, or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract or this Contract, as applicable.
15. **Severability.** Should any part of this Contract be declared in a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Contract, which shall continue in full force and effect, provided that the remainder of this Contract, absent the unexercised portion, can be reasonably interpreted to give effect to the intentions of the parties.
16. **Termination.** Either party may terminate this Contract without cause upon giving 60 days' written notice to the other party.
17. **Cancellation.** Pursuant to ARIZ. REV. STAT. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Contract on behalf of the Town's departments or agencies is, at any time while this Contract or any extension of this Contract is in effect, an employee of any other party of the Contract in any capacity, or a consultant to any other party of this Contract with respect to the subject matter of this Contract.
18. **Counterparts; Electronic Signatures.** This Contract may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Signatures transmitted electronically shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the parties have executed this Contract effective as of the date set forth above.

"TOWN"
TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Gerry Friedel, Mayor

"LAW FIRM"
LAW OFFICE OF MARK IACOVINO,
a sole proprietorship



Mark Iacovino, Owner/Proprietor

ATTEST:

Town Clerk

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
RACHAEL GOODWIN**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is entered into effective July 1, 2026, by and between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Rachael Goodwin ("Goodwin"). The Town and Goodwin are sometimes referred to in this Amendment collectively as the "Parties" or individually as a "Party."

RECITALS

- A. The Town and Goodwin entered into that certain Employment Agreement dated October 3, 2023 (the "Agreement"), under which Goodwin serves as Town Manager of the Town.
- B. The Agreement establishes Goodwin's compensation, benefits, and other terms and conditions of employment as Town Manager.
- C. The Town Council desires to amend the Agreement effective July 1, 2026, to adjust Goodwin's base salary and to revise the method for future annual salary adjustments.
- D. The Parties desire that the Agreement remain in full force and effect except as expressly amended by this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the mutual covenants set forth below, the Parties agree as follows:

- 1. **Effective Date.** This Amendment shall be effective July 1, 2026.
- 2. **Amendment to Section 6.1; Salary.**

Section 6.1 of the Agreement is deleted in its entirety and replaced with the following:

- 6.1. **Salary.** Beginning July 1, 2026, the Town agrees to pay Goodwin an annual base salary of \$238,074, payable in installments at the same time as other management employees of the Town are paid. Beginning July 1 of each fiscal year after fiscal year 2026-2027, Goodwin's base salary shall be increased by the same percentage Annual General Adjustment, if any, approved by the Town Council for Town employees generally. For purposes of this Agreement, Annual General Adjustment means the across-the-board salary adjustment approved by the Town Council for Town employees generally. Goodwin expressly agrees and understands that this annual adjustment does not include merit increases, market adjustments, equity adjustments, or other compensation adjustments provided to individual Town employees unless separately approved by the Town Council for Goodwin.
- 3. **No Other Amendments.** Except as expressly amended by this Amendment, all terms and conditions of the Agreement remain unchanged and in full force and effect.
- 4. **Conflict.** In the event of a conflict between this Amendment and the Agreement, this Amendment shall control. Terms used but not defined in this Amendment have the meanings given to them in the Agreement.
- 5. **Counterparts; Electronic Signatures.** This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Signatures transmitted electronically shall have the same force and effect as original signatures.

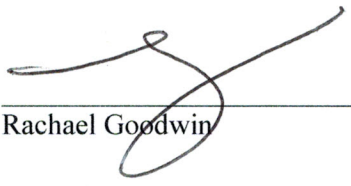
IN WITNESS WHEREOF, the Parties have executed this Amendment effective as of the date set forth above.

"TOWN"

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Gerry Friedel, Mayor

"GOODWIN"



Rachael Goodwin

ATTEST:

Town Clerk

**FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
TIMOTHY A. LA SOTA, PLC**

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "Amendment") is entered into effective July 1, 2026, by and between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Timothy A. La Sota, PLC, an Arizona professional limited company (the "Firm"). The Town and the Firm are sometimes referred to in this Amendment collectively as the "Parties" or individually as a "Party."

RECITALS

- A.** The Town and the Firm entered into that certain Professional Services Agreement dated July 1, 2025 (the "Agreement"), under which the Firm provides Town Attorney services to the Town.
- B.** Section 3 of the Agreement establishes the Firm's flat monthly rate for services and related review, invoicing, and inspection provisions.
- C.** The Town and the Firm desire to amend the Agreement effective July 1, 2026, to increase the Firm's flat monthly rate by \$2,000 per month, from \$18,000 per month to \$20,000 per month.
- D.** The Parties desire that the Agreement remain in full force and effect except as expressly amended by this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the mutual covenants set forth below, the Parties agree as follows:

- 1. Effective Date.** This Amendment shall be effective July 1, 2026.
- 2. Amendment to Section 3; Compensation.** Effective July 1, 2026, the Flat Rate payable to the Firm under Section 3 of the Agreement shall be \$20,000 per month, for an annual amount of \$240,000. The Parties acknowledge that this Amendment increases the Flat Rate by \$2,000 per month. Except as expressly amended by this Section, the review, invoice, and inspection provisions of Section 3 of the Agreement remain unchanged and in full force and effect.
- 3. No Other Amendments.** Except as expressly amended by this Amendment, all terms and conditions of the Agreement remain unchanged and in full force and effect.
- 4. Conflict.** In the event of a conflict between this Amendment and the Agreement, this Amendment shall control. Terms used but not defined in this Amendment have the meanings given to them in the Agreement.
- 5. Counterparts; Electronic Signatures.** This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Signatures transmitted electronically shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the Parties have executed this Amendment effective as of the date set forth above.

"TOWN"

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Gerry Friedel, Mayor

"FIRM"

TIMOTHY A. LA SOTA, PLC,
an Arizona professional limited company

Signing Time: 5/26/26 09:32 MST
Timothy A. La Sota, Principal

ATTEST:

Town Clerk



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Multi-Departmental
Prepared by: Paul Soldinger, Chief Financial Officer
Staff Contact Information: Phone: 480-816-5160
Email: psoldinger@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Regarding the Proposed Energy Savings Capital Project for Parking Shade Structure and Solar Panels for Town Hall Campus Visitors

Staff Summary (background)

Background

Staff initiated an energy audit process with Veregy LLC (Veregy) in early 2026 to evaluate possible energy savings solutions across the Town parks and facilities. Veregy completed an initial energy audit by evaluating detailed interval energy data from the Town's utility provider (SRP) and toured Town facilities with staff. Veregy recommended that the Town consider several energy savings opportunities, but in particular, proposed a parking structure project that would allow the Town to save about \$81,000 of electrical costs in the first year of project completion.

Under Arizona laws for performance contracting and through cooperative agreement 1GPA Contract #22-07P-08, Veregy has proposed a contract for the project that guarantees the Town would save \$81,000 in the first year, and calculates that with eligible Federal rebate incentives for energy-efficient improvements, the project would pay for itself in about 15 years, assuming a 4.5% annual increase in electric utility rates.

Project Description

This Guaranteed Energy Services Agreement with Veregy, is for the proposed design and construction of solar-powered parking shade structures at the Town Hall/Community Center civic campus. The proposed project would install approximately 597 kW-DC of solar generation capacity across two interconnections, at Town Hall and at the Community Center.

In addition to the solar energy system, the project includes covered parking canopies, under-canopy lighting, associated electrical infrastructure, foundations, utility coordination with SRP, and restoration of affected parking, concrete, landscaping, and irrigation areas.

The project would provide approximately 128 covered parking spaces serving Town Hall, the Community Center, and nearby public facilities, improving the experience for residents and visitors during high-temperature months.

Guaranteed Energy Savings / Performance Contract Structure

The project is structured as a guaranteed energy savings/performance-based capital project. Arizona law authorizes public agencies, including towns, to enter into guaranteed energy cost savings contracts with qualified providers when the agency determines that the amount spent on energy cost savings measures will not exceed the amount saved in energy costs over the applicable contract term.

Part of these requirements and within the proposed contract, it states that Veregy will be responsible to pay back the Town if it does not achieve the guaranteed amount of energy savings based on Veregy's projections.

Financial Considerations

The total proposed contract amount is \$2,390,900. Under the contract schedule, the project is expected to generate \$1,604,173 in guaranteed energy cost savings over the 15-year contract term.

The project may also be eligible for a federal Inflation Reduction Act clean energy elective-pay benefit, commonly referred to as a direct-pay federal tax credit or rebate. The project financial schedule assumes a potential IRA/elective-pay benefit of approximately \$956,360, which represents an assumed 40% federal benefit based on the project cost. However, the Federal rebates are not guaranteed.

The Town has contracted with an independent energy tax advisor which provided an initial evaluation of the proposed project with positive assurances included. Veregy has also included several contract provisions stating that Veregy will make commercial efforts to support the Town in obtaining the rebates.

Combined, the contract schedule identifies total avoided energy, operational, and related costs of approximately \$2,560,533 over the 15-year term. Lastly, the solar panels are expected to have a useful life of about 30-35 years, which will create additional energy savings for the Town long after the contract term ends.

From a budget perspective, the project is intended to reduce the Town's long-term exposure to rising utility costs by generating a portion of the Town's electricity on site. This is particularly relevant in Arizona, where utility costs and future rate pressure continue to be a budget concern due to load growth, infrastructure needs, inflation, and increasing peak-demand conditions.

Long-Term Operational Considerations

Other long-term considerations include that Veregy will charge an annual fee, starting at \$4,455, to complete its measurement and verification (M&V) process each year to ensure the Town has received its guaranteed savings based on the project's electricity output. However, the Town will have the option of canceling the M&V process and related fee any year of the contract term.

Further, the Town's insurance costs will increase by an estimated \$4,000 - \$5,000 in the first year after project completion to insure the new parking structure and solar panels. There may also be staff time used to clean and maintain the new infrastructure.

Federal Rebate Timing

The federal incentive opportunity is a significant reason for bringing the project forward at this time. Under Federal rebate guidance, if the Town begins this project before July 4, 2026, then the project can extend up to 4 years and still be eligible for possible Federal rebates if there are delays to the construction schedule.

If the project begins after July 4, 2026, then the Town would need to complete the project and energize the system before December 31, 2027 which would leave very little room for possible construction delays to qualify for Federal rebates.

Staff will separately address and work with contracted energy tax advisors for the documentation requirements, and risks related to the timing, amount, and eligibility of any Federal rebates.

Budget Authority and Project Schedule

If approved by the Council, Veregy will deliver solar panels and other equipment onsite to meet Federal rebate continuous construction requirements and will require an upfront payment of 7% of the project costs, or \$167,363 that would be paid using the FY2026 existing contingency budget authority in the Capital Projects Fund.

Staff will also process budget authority transfers from the Capital Projects Fund contingency in the FY2027 budget to allow design and construction work on the project to continue between July 2026 and June 2027.

Staff will also include sufficient budget authority in the Capital Projects Fund during FY2028 budget planning to facilitate completion of the project by approximately August 2027.

Related Ordinance, Policy or Guiding Principle

Arizona Revised Statutes (A.R.S.) § 34-455

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends approval because the project advances multiple Town objectives: investing in public infrastructure, improving resident and visitor amenities, reducing future utility exposure, using available federal clean energy incentives, and adding long-term solar generation capacity at key Town facilities.

Suggested Motion

MOVE TO APPROVE Proposed Energy Savings Capital Project for Parking Shade Structure and Solar Panels, and all steps necessary to execute contracts to initiate and administer the project to completion

FISCAL IMPACT

Fiscal Impact: \$2,390,900

Budget Reference: FY2026 (\$167,367 for upfront payment to receive solar panels to meet Federal rebate requirements); FY2027 (up to \$1.4 million for design and initiating construction of the project); FY2028 (remaining project costs); Staff will apply for Federal rebates in FY2028 after project completion for up to 40% Reimbursement (\$956,384 Potential ITC Rebates)

Funding Source: Capital Projects Fund

ATTACHMENTS

- | |
|--|
| <ol style="list-style-type: none">1. Fountain Hills Performance Contract2. Veregy LLC Energy Savings Project Presentation3. Town Energy Expenditures - FY23 through FY254. ETSI FEOC Letter |
|--|

**VEREGY DER & ELECTRICAL, LLC, DBA VEREGY LLC
GUARANTEED ENERGY SERVICES
AGREEMENT**

1GPA Contract #: 22-07P-08

CUSTOMER NAME: Town of Fountain Hills
DATE OF SUBMISSION: June 3, 2026

TABLE OF CONTENTS

ARTICLE

PAGE

1. GENERAL PROVISIONS	1
2. VEREGY'S RESPONSIBILITIES.....	1
3. CUSTOMER'S RESPONSIBILITIES.....	4
4. SUBCONTRACTS.....	5
5. INSTALLATION AND ACCEPTANCE.....	6
6. PRICE AND PAYMENT	6
7. CHANGES IN THE PROJECT	7
8. INSURANCE, INDEMNITY, WAIVER OF SUBROGATION, AND LIMITATION OF LIABILITY.....	8
9. TERMINATION OF THE AGREEMENT	10
10. ASSIGNMENT.....	11
11. MISCELLANEOUS PROVISIONS.....	11
12. ARBITRATION	13
13. LIMIT OF LIABILITY - FIRE AND/OR SECURITY SYSTEMS.....	13
14. SUBSEQUENT PHASES OF WORK.....	14

ATTACHMENT A	THE WORK (SCOPE-OF-WORK)
ATTACHMENT B	THE INSTALLATION SCHEDULE
ATTACHMENT C	PAYMENT SCHEDULE
ATTACHMENT D	ENERGY GUARANTEE
ATTACHMENT E	SCHEDULE OF SAVINGS
ATTACHMENT F	PROJECT ACCEPTANCE
ATTACHMENT G	FEDERAL REQUIREMENTS COMPLIANCE

Note Regarding Modifications Made to this Agreement: Provisions in the printed document that are not to be included in the agreement may be deleted by striking through the word, sentence, or paragraph to be omitted. It is recommended that unwanted provisions not be made illegible. The Parties should be clearly aware of the material deleted from the standard form. **Do not make any modifications to this Agreement unless approval to do so has been granted. Changes may be made only by deletion as explained above, or, by addendum.**

ARTICLE 1

GENERAL PROVISIONS

1.1 This Agreement, including all Attachments, Exhibits, and Schedules referenced herein (hereinafter the "Agreement") dated May 26, 2026 (the "Effective Date") by and between VEREGY, a limited liability company and Veregy DER & Electrical, LLC, DBA Veregy and collectively referred to as "Veregy" with a principal place of business at 3312 E Broadway Rd, Phoenix, AZ, 85040, and the Town of Fountain Hills, an Arizona municipal corporation ("CUSTOMER") with a principal place of business at 16705 E Avenue of the Fountains, Fountain Hills, AZ 85268. (collectively the "Parties").

1.2 EXTENT OF AGREEMENT: This Agreement, including all attachments and exhibits hereto, represents the entire agreement between CUSTOMER and VEREGY and supersedes all prior negotiations, representations, or agreements. This Agreement shall not be superseded by any provisions of the documents for construction and may be amended only by: (1) a written amendment signed by both CUSTOMER and VEREGY; and (2) a signed Change Order signed by both CUSTOMER and VEREGY. None of the provisions of this Agreement shall be modified, altered, changed, or voided by any subsequent Purchase Order issued by CUSTOMER, which relates to the subject matter of this Agreement.

1.3 As used in this Agreement, the term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by VEREGY to fulfill VEREGY's obligations, as described in Attachment A and otherwise set forth in the Contract Documents. The Work may constitute the whole or a part of the Project. The Work specifically excludes certain design and construction, which are the subject of separate agreements between CUSTOMER and parties other than VEREGY.

1.4 The Project is the total construction of which the Work performed by VEREGY under this Agreement may be the whole or a part and which may include construction by the CUSTOMER and by separate contractors.

1.5 The Contract Documents consist of this Agreement, its attachments, exhibits, schedules, and addenda. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by VEREGY. The Contract Documents are complementary, and what is required by one shall be binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them.

1.6 Installation Schedule means that schedule set out in Attachment B describing the Parties' intentions respecting the times by which the components or aspects of the Work therein set forth shall be installed and/or ready for acceptance or beneficial use by CUSTOMER.

ARTICLE 2

VEREGY'S RESPONSIBILITIES

2.1 VEREGY Services

2.1.1 VEREGY shall be responsible for construction of the Project, except as otherwise set forth in the Construction Documents. VEREGY shall not be responsible for any work undertaken by CUSTOMER or CUSTOMER's contractors.

2.1.2 VEREGY will assist in securing permits necessary for the Work. CUSTOMER shall pay such proper and legal fees to public officers and others as may be necessary to the due and faithful performance of the Work and which may arise incidental to the fulfilling of these specifications.

2.1.3. VEREGY shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless VEREGY needs to provide such services in order to carry out the VEREGY's responsibilities for construction means, methods, techniques, sequences and procedures.

2.1.4 VEREGY shall comply with each and every applicable Federal Requirement and each and every applicable EEO Requirement. By way of regulatory compliance and clarity and not to limit the commitment made herein, Attachment H Federal Requirements Compliance is attached hereto, incorporated herein, and made a part hereof for all purposes.

2.2 Responsibilities with Respect to the Work

2.2.1 VEREGY will provide construction supervision, inspection, labor, materials, tools, construction equipment and subcontracted items reasonably necessary for the execution and completion of the Work.

2.2.2 VEREGY shall keep the premises in an orderly fashion and reasonably free from unnecessary accumulation of waste materials or rubbish caused by its operations. If VEREGY damages property not needed for the Work, VEREGY shall repair the property to its pre-existing condition unless CUSTOMER directs otherwise. At the completion of the Work, VEREGY shall remove waste material supplied by VEREGY under this Agreement as well as all its tools, construction equipment, machinery, and surplus material. Unless otherwise agreed to herein, all surplus materials shall be the property of VEREGY. VEREGY shall dispose of all waste materials or rubbish caused by its operations; provided, that unless otherwise specifically agreed to in this Agreement, VEREGY shall not be responsible for disposal of toxic or hazardous materials removed from the facilities, such as fluorescent lights, potential polychlorinated biphenyl containing light ballasts and mercury-containing controls, but shall store those materials neatly at a location designated by CUSTOMER.

2.2.3 VEREGY shall give all notices and comply with all laws and ordinances legally enacted as of the date of execution of the Agreement governing the execution of the Work; provided, however, that VEREGY shall not be responsible nor liable for the violation of any code, law or ordinance caused by CUSTOMER or existing in CUSTOMER's property prior to the commencement of the Work.

2.2.4 VEREGY shall comply with all applicable federal, state and municipal laws and regulations that regulate the health and safety of its workers while providing the Work, and shall take such measures as required by those laws and regulations to prevent injury and accidents to other persons on, about or adjacent to the site of the Work. It is understood and agreed, however, that VEREGY shall have no responsibility for elimination or abatement of health or safety hazards created or otherwise resulting from activities at the site of the Work carried on by persons not in a contractual relationship with VEREGY, including CUSTOMER, CUSTOMER's employees, CUSTOMER's contractors or subcontractors, CUSTOMER's tenants or CUSTOMER's visitors. CUSTOMER agrees to cause its contractors, subcontractors and tenants to comply fully with all applicable federal, state and municipal laws and regulations governing health and safety and to comply with all reasonable requests and directions of VEREGY for the elimination or abatement of any such health or safety hazards at the site of the work.

2.2.5 VEREGY shall promptly notify the CUSTOMER if it finds (1) that a subsurface or latent physical condition at the site differs materially from those indicated in this Agreement, and/or (2) that an unknown physical condition at the site of an unusual nature differing materially from that ordinarily encountered and generally recognized as occurring in the work of the character envisioned in the Agreement. If CUSTOMER receives such a notice, it must promptly investigate the physical condition, and if it determines that the physical condition is materially different and would cause an increase or decrease in cost or additional time to perform the Agreement, it must put its determination in writing and an equitable adjustment to the contract price and time must be made.

2.3 Patent Indemnity

2.3.1 VEREGY shall, at its expense, defend or, at its option, settle any suit that may be instituted against CUSTOMER for alleged infringement of any United States patents related to the hardware manufactured and provided by VEREGY, provided that: 1. Such alleged infringement consists only in the use of such hardware by itself and not as part of, or in combination with, any other devices, parts or software not provided by VEREGY hereunder; 2. CUSTOMER gives VEREGY immediate notice in writing of any such suit and permits VEREGY, through counsel of its choice, to answer the charge of infringement and defend such suit; and 3. CUSTOMER gives VEREGY all needed information, assistance and authority, at VEREGY's expense, to enable VEREGY to defend such suit.

2.3.2 If such a suit has occurred, or in VEREGY's opinion is likely to occur, VEREGY may, at its election and expense: obtain for CUSTOMER the right to continue using such equipment; or replace, correct or modify it so that it is not infringing; or remove such equipment and grant CUSTOMER a credit therefore, as depreciated.

2.3.3 In the case of a final award of damages in any such suit, VEREGY will pay such award. VEREGY shall not, however, be responsible for any settlement made without its written consent.

2.3.4 This article states VEREGY's total liability and CUSTOMER's sole remedy for any actual or alleged infringement of any patent by the hardware manufactured and provided by VEREGY hereunder. In no event shall VEREGY be liable for any indirect, special, or consequential damages resulting from any such actual or alleged infringement, except as set forth in this section 2.3.

2.4 Warranties and Completion

2.4.1 VEREGY warrants CUSTOMER good and clear title to all equipment and materials furnished by VEREGY to CUSTOMER pursuant to this Agreement free and clear of liens and encumbrances. In addition to manufacturer's equipment warranties, VEREGY hereby warrants that all such equipment and materials shall be of good quality and shall be free from defects in materials and workmanship, including installation and setup, for a period of two (2) years from the date of beneficial use or substantial completion of the equipment or portion of the Work in question, provided that no repairs, substitutions, modifications, or additions have been made, except by VEREGY or with VEREGY's written permission, and provided that after delivery such equipment or materials have not been subjected by non-VEREGY personnel to accident, abuse, neglect, misuse, modifications, improper or insufficient maintenance, improper operation or use in violation of any instructions supplied by VEREGY, in which case this warranty shall be null and void.

2.4.2 All Subcontractor's and manufacturer's warranties shall be deemed furnished and assigned to CUSTOMER pursuant to the Contract Documents without further action by VEREGY upon Final Payment by CUSTOMER as required under the Contract Documents.

2.4.3 THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND VEREGY HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, WHETHER WRITTEN OR ORAL, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, EXCEPT AS EXPRESSLY WARRANTED HEREIN. VEREGY shall not be liable for any special, indirect, incidental, or consequential damages arising from, or relating to, this limited warranty or its breach.

2.4.4 VEREGY's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by VEREGY, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage.

2.4.5 The local contact in the US for warranty for the Solar panels is the following company:

C&D Clean Energy (C&D Material Inc.)

Address: 5861 Pine Avenue, Suite B-20, Chino Hills CA 91709

Email: Ashok@cndcleanenergy.com

Website: www.cndcleanenergy.com



2.5 Hazardous Materials

2.5.1 Except as expressly provided in Schedule A, VEREGY and its subcontractors shall not be required to handle, remove, come into contact with, dispose of, or otherwise work with hazardous materials existing on the project site at the date of this Agreement or resulting, either directly or indirectly, from any acts or omissions of CUSTOMER, its employees, agents or assigns, or any of its other contractors or subcontractors. "Hazardous materials" as used herein includes all hazardous or toxic substances or materials as may be so designated by federal, state, or local governmental entities. "Hazardous materials" shall also include lead paint, fungus, and mold. If, during the performance of the Work, the presence of hazardous materials is discovered or reasonably suspected, VEREGY shall notify CUSTOMER of such discovery or suspicion and shall be permitted to immediately cease all work which requires contact with or exposure to such hazardous materials, until the CUSTOMER has made arrangements for the removal of the same. VEREGY shall be entitled to an extension of the Contract Time for ceasing work pursuant to this Section. In the event that the Parties agree that VEREGY

shall remove or remediate any Hazardous Materials discovered during the course of the Work, VEREGY shall be entitled to a Change Order increasing the Contract Price and Contract Time for said removal and/or remediation.

2.5.2 CUSTOMER shall indemnify, defend, and hold VEREGY and its respective officers, directors, employees, agents and subcontractors (collectively the "Indemnified Parties"), harmless from, against, and in respect of any and all rights, claims, demands, liabilities, obligations, orders, assessments, interest, penalties, fines, settlement payments, costs, expenses and damages, including, without limitation, reasonable legal fees and out-of-pocket expenses ("Damages") imposed upon or incurred by any Indemnified Party and that arise from claims asserted by third parties or by CUSTOMER concerning any Hazardous Materials; provided that the Damages are not the direct result of any act or omission of VEREGY or its agents.

2.5.3 Unless prior to the execution of this Agreement, VEREGY received written notification from CUSTOMER of the existence of Hazardous Materials on the site, and said notice included a description of the Hazardous Materials, and the quantity and location of the Hazardous Materials, CUSTOMER is hereby representing to VEREGY that CUSTOMER is not aware of any Hazardous Materials present at the site.

2.6 CUSTOMER may audit only records reasonably related to (i) statutory compliance, (ii) approved change orders, claims, allowances, reimbursable items, or (iii) savings-guarantee calculations expressly required under the Agreement, and not Veregy's proprietary pricing, overhead, profit, or unrelated corporate records.

ARTICLE 3

CUSTOMER'S RESPONSIBILITIES

3.1 CUSTOMER shall provide VEREGY full information necessary and relevant to the evaluation, performance, and requirements for the Work. VEREGY shall be entitled to rely on the accuracy of the information furnished by CUSTOMER. The CUSTOMER shall furnish information and services required of CUSTOMER by the Contract Documents with reasonable promptness.

3.2 CUSTOMER shall designate a representative who shall be fully acquainted with the Work, and who has authority to approve changes in the scope of the Work, execute and agree to Change Orders and render decisions promptly.

3.3 CUSTOMER shall furnish to VEREGY surveys describing physical characteristics, all information regarding legal limitations, utility locations and other information reasonably pertinent to this Agreement, the Work, and the Project.

3.4 CUSTOMER shall secure and pay for all necessary approvals, easements, assessments, permits, and charges required for the construction, use or occupancy of permanent structures or for permanent changes in existing facilities, including charges for legal and auditing services.

3.5 If CUSTOMER becomes aware of any fault or defect in the Work, it shall give prompt written notice thereof to VEREGY and if such notice is not promptly given, CUSTOMER shall be responsible for any additional repair or remedial costs which could have been avoided if such notice had been promptly given.

3.6 The services and information required by the above paragraphs shall be furnished with reasonable promptness at CUSTOMER's expense and VEREGY shall be entitled to rely upon the accuracy and the completeness thereof.

3.7 Prior to the commencement of the Work and at such future times as VEREGY shall reasonably deem appropriate, CUSTOMER shall furnish evidence in a form satisfactory to VEREGY that sufficient funds are available and committed to pay for the Work. Unless such evidence is furnished, VEREGY is not required to commence or continue any Work. Further, if CUSTOMER does not provide such evidence, VEREGY may stop work upon fifteen (15) days' notice to CUSTOMER. The failure of VEREGY to insist upon the providing of this evidence at any one time shall not be a waiver of CUSTOMER's obligation to make payments pursuant to this Agreement, nor shall it be a waiver of VEREGY's right to request or insist that such evidence be provided at a later date.

3.8 CUSTOMER shall comply with all applicable federal, state, and municipal laws and regulations governing occupational health and safety in the areas where VEREGY will perform services and/or perform the Work.

3.9 CUSTOMER represents and warrants that, except as otherwise disclosed in this Agreement, in the areas where VEREGY will undertake Work or provide services, there are no: (a) materials or substances classified as toxic or hazardous either (i) on or within the walls, floors, ceilings or other structural components, or (ii) otherwise located in the work area, including asbestos or presumed asbestos-containing materials, formaldehyde, containers or pipelines containing petroleum products or hazardous substances, etc.; (b) situations subject to special precautions or equipment required by federal, state or local health or safety regulations; or (c) unsafe working conditions. CUSTOMER shall immediately notify VEREGY of any changes or updates that occur during the course of the Agreement. If any such materials, situations or conditions, whether disclosed or not, are in fact discovered by VEREGY or others and provide an unsafe condition for the performance of the Work or services, the discovery of the material, situation or condition shall constitute a cause beyond VEREGY's reasonable control and VEREGY shall have the right to cease or not commence the Work until the area has been made safe by CUSTOMER or CUSTOMER's representative, at CUSTOMER's expense. When the Hazardous Material has been remediated or removed, Work in the affected area shall resume upon written agreement of CUSTOMER and VEREGY. By Change Order, the Contract Time shall be extended appropriately and the Contract Price shall be increased in the amount of the VEREGY's reasonable additional costs of shut-down, delay and start-up and for any additional work performed by VEREGY.

3.10 To the fullest extent allowed by law, CUSTOMER shall indemnify and hold VEREGY harmless from and against any and all claims and costs of whatever nature, including but not limited to, consultants' and attorneys' fees, damages for bodily injury and property damage, fines, penalties, cleanup costs and costs associated with delay or work stoppage, that in any way results from or arises under the breach of the representations and warranties in this section, the existence of mold or a Hazardous Materials at a site, performance of the Work in the affected area, or the occurrence or existence of the situations or conditions described in this section, whether or not customer provides VEREGY advance notice of the existence or occurrence and regardless of when the Hazardous Materials or occurrence is discovered or occurs. This indemnification shall survive termination of this Agreement for whatever reason. Nothing in this section shall be construed to require that CUSTOMER indemnify and hold harmless VEREGY from claims and costs resulting from the negligent use by VEREGY of any Hazardous Materials brought to the site by VEREGY (and CUSTOMER acknowledges that VEREGY may bring to the site lubricants or other materials that are routinely used in performing maintenance and that may be classified as Hazardous Materials).

3.11 In addition to the price set forth in Article 6 of this Agreement, CUSTOMER shall pay any present and future taxes or any other governmental charges now or hereafter imposed by existing or future laws with respect to the sale, transfer, use, ownership, or possession of the Work provided hereunder, excluding taxes on VEREGY's net income.

ARTICLE 4

SUBCONTRACTS

4.1 At its exclusive option, VEREGY may subcontract some or all of the Work. VEREGY, as soon as practicable after execution of the Agreement, shall furnish in writing to CUSTOMER, if requested by CUSTOMER, the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. CUSTOMER will promptly reply to VEREGY in writing stating whether or not CUSTOMER has reasonable objection to any such proposed person or entity. Failure of CUSTOMER to reply promptly shall constitute notice of no reasonable objection. Notwithstanding anything herein to the contrary,

4.2 A Subcontractor is a person or entity who has a direct contract with VEREGY to provide work, labor, and materials in connection with the Work. The term Subcontractor does NOT include any separate contractors employed by CUSTOMER or such separate contractors' subcontractors.

4.3 For the purposes of this Agreement, no contractual relationship shall exist between CUSTOMER and any Subcontractor. VEREGY shall be responsible for the management of its Subcontractors in their performance of their Work. Unless otherwise expressly agreed to, VEREGY shall not be responsible for the management or supervision or the performance of any work by any of CUSTOMER's employees, contractors, or subcontractors.

4.4 CUSTOMER shall not hire any of VEREGY's Subcontractors without the prior written approval of VEREGY.

ARTICLE 5

INSTALLATION AND ACCEPTANCE

5.1 The Work to be performed under this Agreement shall be commenced and substantially completed as set forth in the Installation Schedule attached hereto as Attachment B.

5.2 If VEREGY is delayed at any time in the progress of performing its obligations under this Agreement by any act of neglect of CUSTOMER or of any employee or agent of CUSTOMER or any contractor employed by CUSTOMER; or by changes ordered or requested by CUSTOMER in the Work performed pursuant to this Agreement; or by labor disputes, fire, unusual delay in transportation or deliveries, adverse weather conditions or other events or occurrences which could not be reasonably anticipated; or unavoidable casualties; or by any pandemic, international, national or regional health crisis or condition or any federal, state or local directive, declaration of emergency or order to suspend, shut down or suspend business in general or the Work in particular resulting from said pandemic or crisis, that impacts the provision of labor or interferes with VEREGY's or any of VEREGY's subcontractor's ability to procure materials, supplies or equipment; or that otherwise disrupts or shuts down the jobsite, either temporarily or for an extended duration ("Pandemic Delay"); or any other problem beyond VEREGY's reasonable control (an "Excusable Delay"), then the time for performance of the obligations affected by such Excusable Delay shall be extended by the period of any delay actually incurred as a result thereof. If any delay, or cumulative delays, within CUSTOMER's control, extends beyond ten (10) days, CUSTOMER shall reimburse VEREGY for all additional costs resulting therefrom. In the event of significant delay or price increase of material, or equipment occurring during the performance of the Agreement through no fault of VEREGY, the Contract Price, time of completion or contract requirements shall be equitably adjusted by change order in accordance with the procedures of the Agreement. A change in price of an item of material, equipment, or energy will be considered significant when the price of an item increases 15% between the date of this Agreement and the date of purchase.

5.3 VEREGY shall provide Delivery and Acceptance Certificates in a form acceptable to CUSTOMER and VEREGY (the "Delivery and Acceptance Certificates") for the Work provided pursuant to the Schedule identified in Attachment F. Upon receipt of each Delivery and Acceptance Certificate, CUSTOMER shall promptly inspect the Work performed by VEREGY identified therein and execute each such Delivery and Acceptance Certificate as soon as reasonably possible, but in no event later than ten (10) days after delivery of the same by VEREGY, unless CUSTOMER provides VEREGY with a written statement identifying specific material performance deficiencies that it wishes VEREGY to correct. VEREGY will use reasonably diligent efforts to correct all such material deficiencies and will give written notice to CUSTOMER when all such items have been corrected. The Parties intend that a final Delivery and Acceptance Certificate will be executed for the Work as soon as all Work is installed and operating. Execution and delivery by CUSTOMER of such final Delivery and Acceptance Certificate with respect to the Work shall constitute "Final Acceptance" of such Work performed by VEREGY pursuant to the Installation Schedule.

ARTICLE 6

PRICE AND PAYMENT

6.1 Price

6.1.1 The price for the Work is TWO MILLION THREE HUNDRED NINETY THOUSAND NINE HUNDRED DOLLARS (\$2,390,900.00), subject to the adjustments set forth in Articles 5 and 7.

6.1.2 The project shall be invoiced on a monthly basis for the work completed and equipment ordered for the project. These progress invoices shall be submitted on the last day of each month. All invoices shall be billed in (30) days.

Upon execution of this contract, VEREGY will invoice for 7% of the total contract amount, for a total of ONE HUNDRED SIXTY-SEVEN THOUSAND THREE HUNDRED SIXTY-THREE DOLLARS (\$167,363), to meet FEOC compliance. Combined invoices shall not exceed ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000) before June 30, 2027, to comply with CUSTOMER'S FY27 budget. The remaining amount due, EIGHT HUNDRED TWENTY-

THREE THOUSAND FIVE HUNDRED THIRTY-SEVEN DOLLARS (\$823,537) is to be invoiced after July 1, 2027, to comply with CUSTOMER'S FY28 budget, on a monthly basis, until project completion.

6.1.3 The price is based upon laws, codes, and regulations in existence as of the date this Agreement is executed. Any changes in or to applicable laws, codes and regulations affecting the cost of the Work shall be the responsibility of CUSTOMER and shall entitle VEREGY to an equitable adjustment in the price and schedule.

6.1.4 The price will be modified for delays caused by CUSTOMER and for Changes in the Work, all pursuant to Article 7.

6.1.5 The license fees for all licensed software are included in the price to be paid by CUSTOMER as identified in this Article 6.

6.1.5 If, at any time, CUSTOMER requests overtime work which requires overtime or premium pay, VEREGY shall be entitled to add such premium or overtime pay to the Contract Price, plus VEREGY's overhead and profit.

6.1.6 The Contract Price does not include the items of work specifically excluded in Attachment A. If CUSTOMER requests VEREGY to perform any of the work expressly excluded in said Attachment, the cost for this additional work, plus VEREGY's overhead and profit, shall be added to the Contract Price.

6.1.7 If, before or during the performance of this Agreement or at any time after the completion of the Project, any tariffs, duties, taxes, levies, fines, or other similar charges (collectively, "Imposed Charges") are enacted, increased, or otherwise assessed due to changes in laws, regulations, or government actions, and such Imposed Charges directly or indirectly increase VEREGY's costs related to the Project, VEREGY reserves the right to recover such additional costs from CUSTOMER. VEREGY shall provide CUSTOMER with written notice of the Imposed Charges. CUSTOMER agrees to reimburse VEREGY for such additional costs within [30] days of receiving notice, which may be invoiced separately or incorporated into the final project reconciliation, if applicable. This Section applies whether the Imposed Charges are incurred directly by VEREGY or through its suppliers, subcontractors, or other third parties and regardless of whether the charges are assessed before, during, or after the completion of the Project.

6.2 Payment

6.2.1 Upon execution of this Agreement, CUSTOMER shall pay or cause to be paid to VEREGY the full price for the Work, in accordance with the Payment Schedule, Attachment C. Payment shall be made net forty-five (45) days of invoice date.

6.2.2 Payments due and unpaid shall bear interest from the date payment is due at the rate of 1 ½% per month, compounded monthly. In the event that CUSTOMER failed to pay VEREGY any sums due, CUSTOMER shall pay VEREGY all attorney's fees incurred by VEREGY in collecting amounts owed to VEREGY under this Agreement. If a progress payment is not paid by the due date, VEREGY reserves the right (without further notice) to immediately stop work until the progress payment then due is made, increased by the amount of VEREGY's costs of shutdown, delay and startup and, in such event, VEREGY will not be liable or responsible for any damages, costs or delays whatsoever due to such work stoppage. VEREGY reserves the right (without further notice) to terminate this Agreement altogether if work is stopped for thirty (30) or more days (whether or not consecutive days) because of a failure to make progress payments, and, in such event, also reserves the right to recover payment for all work executed and losses from stoppage of the work including reasonable overhead and profit.

ARTICLE 7

CHANGES IN THE PROJECT

7.1 A Change Order is a written order signed by CUSTOMER and VEREGY authorizing a change in the Work or adjustment in the price, or a change to the Installation Schedule described in Attachment B. Each Change Order shall

describe the change in the work, the amount of adjustment, if any, to the Contract Price, and the extent of any adjustment to the completion date.

7.2 CUSTOMER may request VEREGY to submit proposals for changes in the Work. Unless otherwise specifically agreed to in writing by both Parties, if VEREGY submits a proposal pursuant to such request but CUSTOMER chooses not to proceed, CUSTOMER shall issue a Change Order to reimburse VEREGY for any and all costs incurred in preparing the proposal.

7.3 Claims for Concealed or Unknown Conditions

The Contract Price has been based on normal site conditions, without allowance for any additional work that might be caused by unanticipated site conditions. If conditions are encountered at the site that are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents, or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than twenty-one (21) days after first observance of the conditions, and, if appropriate, an equitable adjustment to the Contract Price and Installation Schedule shall be made by a Change Order. Said adjustment in Contract Price shall include VEREGY's overhead and profit. If agreement cannot be reached by the Parties, the party seeking an adjustment in the Price or Installation Schedule may assert a claim in accordance with Paragraph 7.4.

7.4 If VEREGY wishes to make a claim for an increase in the Contract Price or an extension in the Installation Schedule it shall give CUSTOMER written notice thereof within fourteen (14) days after the occurrence of the event giving rise to such claim. This notice shall be given by VEREGY before proceeding to execute the Work, except in an emergency endangering life or property, in which case VEREGY shall have the authority to act, in its discretion, to prevent threatened damage, injury or loss. Claims arising from delay shall be made within a reasonable time after the delay. Increases based upon design and estimating costs with respect to possible changes requested by CUSTOMER shall be made within a reasonable time after the decision is made not to proceed with the change. No such claim shall be valid unless so made. If CUSTOMER and VEREGY cannot agree on the amount of the adjustment in the Price, or the Installation Schedule, it shall be determined pursuant to the provisions of Article 12. Any change in the Price or the Installation Schedule resulting from such claim shall be authorized by Change Order.

7.5 Emergencies

In any emergency affecting the safety of persons or property, VEREGY shall act, at its discretion, to prevent threatened damage, injury, or loss. Any increase in the Price or extension of time claimed by VEREGY on account of emergency work shall be determined as provided in Section 7.4.

7.6 Minor Changes

VEREGY shall, without CUSTOMER's approval, have the authority to make minor changes in the Work so long as they do not result in a material alteration or modification or cause an adjustment to the Contract Price or an extension of the Contract Time. Prior to making any minor changes to the Work, VEREGY shall notify CUSTOMER's representative who shall have the authority to approve or disapprove of the minor change. Should CUSTOMER's representative fail to approve or disapprove of the minor change within five (5) days of said request, then VEREGY may make the minor change.

ARTICLE 8

INSURANCE, INDEMNITY, WAIVER OF SUBROGATION, AND LIMITATION OF LIABILITY

8.1 Indemnity

8.1.1 VEREGY agrees to indemnify and hold CUSTOMER, and CUSTOMER's consultants, agents and employees harmless from all claims for bodily injury and property damages [other than the Work itself and other property insured under Paragraph 8.4] to the extent such claims result from or arise under VEREGY's negligent actions or willful misconduct in its performance of the Work, nothing in this article shall be construed or understood to alter the limitations of liability contained in this article, article 2, or the indemnification contained in section 3.8. Except as otherwise provided herein,

VEREGY's obligation, if any, to indemnify the CUSTOMER does not extend to losses sustained in whole or in part as a result of the CUSTOMER's (or its agent's) acts or omissions.

8.1.2 CUSTOMER shall indemnify and hold harmless VEREGY and VEREGY's consultants, agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of, or resulting from, any act or omission of CUSTOMER or CUSTOMER's contractors, consultants, agents or employees.

8.1.3 CUSTOMER shall require any other contractor who may have a contract on this project with CUSTOMER to perform work in the areas where Work will be performed under this Agreement to agree to indemnify CUSTOMER and VEREGY and hold them harmless from all claims for bodily injury and property damage [other than property insured under Paragraph 8.4] that may arise from that contractor's operations. Such provisions shall be in a form satisfactory to VEREGY.

8.2 Contractor's Liability Insurance

8.2.1 VEREGY shall purchase and maintain such insurance as will protect it from claims that may arise out of or result from VEREGY's operations under this Agreement.

8.2.2 The Commercial General Liability Insurance shall include premises-operations (including explosion, collapse and underground coverage), elevators, independent contractors, completed operations, and blanket contractual liability on all written contracts, all including broad form property damage coverage.

8.2.3 VEREGY's Commercial General and Automobile Liability Insurance, as required by Subparagraphs 8.2.1 and 8.2.2, shall be written for not less than limits of liability as follows:

(a) **Commercial General Liability**

Combined Single Limit

\$ 1,000,000 Each Occurrence

\$ 2,000,000 Product & Completed Operations

Aggregate

\$ 2,000,000 General Aggregate

Other Than Products & Completed Operations

(b) **Commercial Automobile Liability** Combined Single Limit

\$ 1,000,000 Each Occurrence

8.2.4 VEREGY shall maintain at all times during the performance of the Work and Services hereunder, Workman's Compensation Insurance in accordance with the laws of the State in which the Work is performed.

8.3. CUSTOMER's Liability Insurance

8.3.1 CUSTOMER shall be responsible for purchasing and maintaining its own liability insurance and, at its option, may purchase and maintain such insurance as will protect it against claims that may arise from operations under this Agreement.

8.4 Insurance to Protect Project

8.4.1 CUSTOMER shall purchase and maintain all risk full cost replacement property insurance in a form acceptable to VEREGY for the length of time to complete the Project. This insurance shall include as named additional insureds VEREGY and VEREGY's Subcontractors and Sub-subcontractors and shall include, at a minimum, coverage for fire, windstorm, flood, earthquake, theft, vandalism, malicious mischief, transit, collapse, testing, and damage resulting from defective design, workmanship, or material. CUSTOMER will increase limits of coverage, if necessary, to reflect estimated replacement costs. CUSTOMER will be responsible for any co-insurance penalties or deductibles. If the Work covers an addition to or is adjacent to an existing building, VEREGY and its Subcontractors and Sub-subcontractors shall be named additional insureds under CUSTOMER's Property Insurance covering such building and its contents.

8.4.1.1 If CUSTOMER finds it necessary to occupy or use a portion or portions of the Facilities prior to Substantial Completion thereof, such occupancy shall not commence prior to a time mutually agreed to by CUSTOMER and VEREGY and to which the insurance company or companies providing the property insurance have consented by endorsement to the policy or policies. This insurance shall not be canceled or lapsed on account of such partial occupancy. Consent of VEREGY and of the insurance company or companies to such occupancy or use shall not be unreasonably withheld.

8.4.2 CUSTOMER shall purchase and maintain such insurance as will protect CUSTOMER and VEREGY against loss of use of CUSTOMER's property due to those perils insured pursuant to Subparagraph 8.4.1.1. Such policy will provide coverage for expenses of expediting materials, continuing overhead of CUSTOMER and VEREGY, necessary labor expense including overtime, loss of income by CUSTOMER and other determined exposures. Exposures of CUSTOMER and VEREGY shall be determined by mutual agreement and separate limits of coverage fixed for each item.

8.4.3 CUSTOMER shall provide Certificate(s) of Insurance to VEREGY. All insurance coverage(s) must be with a carrier rated A or better by one of the National Insurance Rating Agencies such as A.M. Best. VEREGY will be given sixty (60) days' notice of cancellation, non-renewal, or any endorsements restricting or reducing coverage.

8.5 Property Insurance Loss Adjustment

8.5.1 Any insured loss shall be adjusted with CUSTOMER and VEREGY and made payable to CUSTOMER and VEREGY as trustees for the insureds, as their interests may appear, subject to any applicable mortgagee clause.

8.5.2 Upon the occurrence of an insured loss, monies received will be deposited in a separate account and the trustees shall make distribution in accordance with the agreement of the Parties in interest, or in the absence of such agreement, in accordance with an arbitration award pursuant to Article 12. If the trustees are unable to agree between themselves on the settlement of the loss, such dispute shall also be submitted to arbitration pursuant to Article 12.

8.6 Waiver of Subrogation

8.6.1 CUSTOMER and VEREGY waive all rights against each other, Architects and Engineers, Subcontractors and Sub-subcontractors for damages caused by perils covered by insurance provided under Paragraph 8.4, except such rights as they may have to the proceeds of such insurance held by CUSTOMER and VEREGY as trustees. VEREGY may require similar waivers from all Subcontractors and Sub-subcontractors.

8.6.2 CUSTOMER and VEREGY waive all rights against each other, Architects and Engineers, Subcontractor and Sub-subcontractors for loss or damage to any equipment used in connection with the Project, which loss is covered by any property insurance. VEREGY may require similar waivers from all Subcontractors and Sub-subcontractors.

8.6.3 CUSTOMER waives subrogation against VEREGY, Subcontractors and Sub-subcontractors on all property and consequential loss policies carried by CUSTOMER on adjacent properties and under property and consequential loss policies purchased for the Project after its completion.

8.6.4 If the policies of insurance referred to in this Paragraph 8.6 require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

8.7 Limitation of Liability

8.7.1 In no event shall VEREGY be liable for any special, incidental, indirect, speculative, remote, or consequential damages arising from, relating to, or connected with the work, equipment, materials, or any goods or services provided hereunder. The CUSTOMER waives claims against VEREGY for consequential damages arising out of or relating to this Agreement. This waiver includes damages incurred by CUSTOMER for rental expenses, for losses of use, income, profit, financing, business, and reputation, and for loss of management or employee productivity or of the services of such persons.

ARTICLE 9

TERMINATION OF THE AGREEMENT

9.1 If VEREGY defaults in or fails or neglects to carry forward the Work in accordance with this Agreement, CUSTOMER may provide notice in writing of its intention to terminate this Agreement to VEREGY. If VEREGY, following receipt of such written notice, neglects to cure or correct the identified deficiencies within thirty (30) business days, CUSTOMER may provide a second written notice. If VEREGY has not, within thirty (30) business days after receipt of such notice, acted to remedy and make good such deficiencies, CUSTOMER may terminate this Agreement and take possession of the site together with all materials thereon, and move to complete the Work itself expeditiously. If the unpaid balance of the contract sum exceeds the expense of finishing the Work, the excess shall be paid to VEREGY, but if the expense exceeds the unpaid balance, VEREGY shall pay the difference to CUSTOMER.

9.2 If CUSTOMER fails to make payments as they become due, or otherwise defaults or breaches its obligations under this Agreement, VEREGY may give written notice to CUSTOMER of VEREGY's intention to terminate this Agreement. If, within seven (7) days following receipt of such notice, CUSTOMER fails to make the payments then due, or otherwise fails to cure or perform its obligations, VEREGY may, by written notice to CUSTOMER, terminate this Agreement and recover from CUSTOMER payment for Work executed and for losses sustained for materials, tools, construction equipment and machinery, including but not limited to, reasonable overhead, profit and applicable damages.

ARTICLE 10

ASSIGNMENT

10.1 Neither party to the Agreement shall assign this Agreement or sublet it as a whole without the written consent of the other party. Such consent shall not be reasonably withheld, except that VEREGY may assign to another party the right to receive payments due under this Agreement. VEREGY may enter into subcontracts for the Work without obtaining CUSTOMER's consent.

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 The Table of Contents and headings in this Agreement are for information and convenience only and do not modify the obligations of this Agreement.

11.2 Confidentiality. As used herein, the term "CONFIDENTIAL INFORMATION" shall mean any information in readable form or in machine readable form, including software supplied to CUSTOMER by VEREGY that has been identified or labeled as "Confidential" and/or "Proprietary" or with words of similar import. CONFIDENTIAL INFORMATION shall also mean any information that is disclosed orally and is designated as "Confidential" and/or "Proprietary" or with words of similar import at the time of disclosure and is reduced to writing, marked as "Confidential" and/or "Proprietary" or with words of similar import, and supplied to the receiving party within ten (10) days of disclosure.

All rights in and to CONFIDENTIAL INFORMATION and to any proprietary and/or novel features contained in CONFIDENTIAL INFORMATION disclosed are reserved by the disclosing party; and the party receiving such disclosure will not use the CONFIDENTIAL INFORMATION for any purpose except in the performance of this Agreement and will not disclose any of the CONFIDENTIAL INFORMATION to benefit itself or to damage the disclosing party. This prohibition includes any business information (strategic plans, etc.) that may become known to either party.

Each party shall, upon request of the other party or upon completion or earlier termination of this Agreement, return the other party's CONFIDENTIAL INFORMATION and all copies thereof.

Notwithstanding the foregoing provisions, neither party shall be liable for any disclosure or use of information disclosed or communicated by the other party if the information:

- (a) is publicly available at the time of disclosure or later becomes publicly available other than through breach of this Agreement; or
- (b) is known to the receiving party at the time of disclosure; or
- (c) is subsequently rightfully obtained from a third party on an unrestricted basis; or
- (d) is approved for release in writing by an authorized representative of the disclosing party.

- (e) disclosure is required pursuant to a court issued subpoena or an Arizona Public Records request. In such event, CUSTOMER shall promptly notify VEREGY of the subpoena and/or records request so that VEREGY may take legal action to protect its CONFIDENTIAL INFORMATION.

The obligation of this Article shall survive any expiration, cancellation, or termination of this Agreement.

11.3 If any provision is held illegal, invalid, or unenforceable, the remaining provisions of this Agreement shall be construed and interpreted to achieve the purposes of the Parties.

11.4 Risk of loss for all equipment and materials provided by VEREGY hereunder shall transfer to CUSTOMER upon final acceptance by CUSTOMER and title shall pass upon final acceptance or final payment by CUSTOMER to VEREGY, whichever occurs later.

11.5 Final notice or other communications required or permitted hereunder shall be sufficiently given if personally delivered to the person specified below, or if sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To VEREGY:
VEREGY
3312 E Broadway Rd, Phoenix, AZ 85040
Attention: Mr. Clayton Boop, Vice President, Operations

To CUSTOMER:
Town of Fountain Hills
16705 E Avenue of the Fountains, Fountain Hills, AZ 85268
Attention: Mrs. Rachael Goodwin, Town Manager

11.6 Waiver. VEREGY's failure to insist upon the performance or fulfillment of any of CUSTOMER's obligations under this Agreement shall not be deemed or construed as a waiver or relinquishment of the future performance of any such right or obligation hereunder.

11.7 If any provision of this Agreement or the application thereof to any circumstances shall be held to be invalid or unenforceable, then the remaining provisions of this Agreement or the application thereof to other circumstances shall not be affected hereby and shall be valid and enforceable to the fullest extent permitted by law.

11.8 Performance/Payment Bond. VEREGY shall furnish a performance bond and payment bond covering the construction of the work in an amount equal to the contract price prior to commencement of work in a form acceptable to CUSTOMER.

11.9 This bond covers only the performance and payment exposure associated with the performance of the construction portion of the work. The energy savings, additional savings, guaranteed savings, savings shortfalls are not under any circumstances covered under this bond or an obligation that the surety is responsible for.

11.10 Ambiguities. The Parties have each had the opportunity to review and negotiate the terms of this Agreement, and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

11.11 Headings. The section headings contained herein are intended for convenience and reference only and are not a part of this Agreement.

11.12 Authority to Enter into this Contract. The persons signing the Agreement on behalf of the Parties are authorized to execute and accept contracts of this nature.

11.13 CUSTOMER Representations. To the extent applicable, the CUSTOMER warrants that it has the necessary power and authority to enter into this Agreement and this Agreement has been duly authorized by its duly elected representatives. This Agreement is a legal, valid, and binding obligation of the CUSTOMER.

11.14 IRA Assistance. VEREGY shall provide administrative and technical support to the Customer for the purpose of applying for and obtaining eligible clean energy tax credits through the Inflation Reduction Act's (IRA) "direct payment" (also known as "elective pay") program. The services will cover the eligible projects set forth in this Agreement.

- 11.14.1 Foreign Entity of Concern (FEOC) Material Assistance Compliance. VEREGY has performed commercially reasonable due diligence to ensure that equipment and materials incorporated into the Project comply with Foreign Entity of Concern (FEOC) requirements, to the extent necessary to preserve eligibility for Investment Tax Credit (ITC) and IRA-related incentives, including the Domestic Content Bonus Credit for domestic solar content with greater than 50% domestic material. VEREGY shall provide documentation of such compliance where required for tax credit qualification.
- 11.14.2 Assessment of Eligibility: VEREGY will review the Customer's planned clean energy projects to confirm eligibility for IRA tax credits under sections 48 (Investment Tax Credit) and other applicable provisions.
- 11.14.3 Registration with the IRS: VEREGY will assist the Customer in completing the mandatory IRS pre-filing registration to obtain a registration number for each clean energy project.
- 11.14.3 Documentation Support: VEREGY will gather and prepare the necessary documentation to support the direct payment claim, which may include project cost data, installation details, and evidence of compliance with prevailing wage and apprenticeship requirements, if applicable.
- 11.14.4 Application Preparation and Filing: VEREGY will assist the Customer in preparing and filing any required forms.
- 11.14.5 Enhancement Analysis: VEREGY will provide an analysis of potential bonus credits related to domestic content, energy communities, or low-income communities, and assist in documenting compliance.
- 11.14.6 No Tax Advice: The Customer acknowledges that VEREGY is not providing tax or legal advice.
- 11.14.7 No Price or Schedule Relief. Any failure, delay, reduction, or loss of tax credits, direct payments, or other incentives (including ITC/IRA benefits) shall not increase or decrease the Price or extend or reduce the Contract Time.
- 11.14.8 Notice and Mitigation. VEREGY shall promptly notify the Customer in writing of any written notice, inquiry, audit, or other communication from the Internal Revenue Service or the U.S. Department of the Treasury that could reasonably be expected to affect the Customer's eligibility for, or the timing or amount of, any such tax credit or direct payment, and shall cooperate with the Customer, at no additional cost to the Customer, in providing reasonable supplemental information and documentation in support of the Customer's position, to the extent such cooperation is within VEREGY's control and does not require VEREGY to provide tax or legal advice.

ARTICLE 12

ARBITRATION

12.1 The Parties agree that any controversy or claim between VEREGY and CUSTOMER arising out of or relating to this Agreement, or the breach thereof, shall be settled by first mediation by the selection of a mediator agreed to by the parties; secondly, if no mediated agreement can be reached by arbitration, conducted in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association at a location specified by VEREGY in the State of Arizona.

Any award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE 13

LIMIT OF LIABILITY – FIRE AND/OR SECURITY SYSTEMS

13.1 The Parties agree that VEREGY is not an insurer; that the fire and/or security system and/or Service purchased herein is designed only to reduce the risk of loss; that CUSTOMER chose such system and/or Service from several levels of protection offered by VEREGY; that VEREGY will not be held liable for any loss, whether in tort or contract, which may arise from the failure of the system and/or Service; and that customer will indemnify, defend and save VEREGY harmless from any and all loss, claims, actions, causes of actions or expense, including attorneys' fees, arising from the actual or alleged malfunction or nonfunction of the system and/or service. The Parties further agree that this Agreement shall not confer any rights on the part of any person or entity not a party hereto, whether as a third-party beneficiary or otherwise.

Because it is extremely difficult to assess actual damages arising from the failure of a system and/or service, the Parties agree that if any liability is imposed on VEREGY for damages or personal injury to either customer or any third party, such

liability shall be limited to an aggregate amount not to exceed the value of the system installed. This sum shall be paid either as (i) liquidated damages and not as a penalty, or (ii) a limitation of liability agreed upon by the Parties. No suit or action shall be brought against VEREGY more than two (2) years after the accrual of the cause of action thereof.

ARTICLE 14
SUBSEQUENT PHASES OF WORK

14.1 Additions and modifications to this Agreement may be made upon the mutual agreement of both Parties in writing. The Parties contemplate that such modifications may include but are not limited to the installation of additional improvement measures, energy conservation measures, facility improvement measures and operational efficiency improvements or furnishing of additional services within the identified facilities, as well as other facilities owned and operated by the Customer.

If the Work is divided into phases or individual projects for which individual prices have been negotiated, then separate Commencement Dates shall apply to each phase or individual project. These projects, modifications, and modifications to the original scope of Work or Services and may be included as addendums to the Master Agreement.

APPROVALS:

The Parties hereby execute this Agreement as of the date first set forth herein by the signatures of their duly authorized representatives:

VEREGY

By _____
Name Mr. Clayton Boop_____
Title Vice President, West Region_____
Date _____

Town of Fountain Hills

By _____
Name Mrs. Rachael Goodwin_____
Title Town Manager_____
Date June 16, 2026_____

Attested To:

By _____
Title Town Clerk_____
Date June 16, 2026_____

ATTACHMENT A

SCOPE OF WORK

Carport Solar PV System

This document outlines the development plan for the construction of carport photovoltaic (PV) systems at two designated sites within the Town of Fountain Hills. The scope of work is based on the design provided by Veregy, as detailed in the attached preliminary site layout and single-line diagram.

1. Town Hall

- Execute geotechnical study, utility locating, title reports, CAD-based site survey, private locating and blue stake services for underground work.
- Obtain approvals from the town on the layout for permitting after the aforementioned due diligence is completed.
- Procure and install photovoltaic equipment, including modules (357) Znshine ZMX7-SHLD144, (3) SMA Tripower X-US [(1) Tripower X 50kW, (2) Tripower X 62.5kW], Light Level DAS monitoring system, all electrical equipment, steel columns, purlins and foundations as determined by engineering and shown in preliminary single line diagrams.
- Procure and install all AC equipment as determined by engineering and shown on final single line diagram, including a 400A/480V fused utility disconnect, 400A/480V non-fused service disconnect, 400A/480V meter socket, 400A/480V combiner panel, and point of interconnection equipment. Utility meter to be furnished and installed by Salt River Project (SRP).
- Project management and site supervision for the duration of construction.
- Furnish and install required AC conduit, cabling, terminations, third party hi-pot testing and special inspections as required by local authority having jurisdiction (Town of Fountain Hills) and SRP.
- Furnish and install all DC wiring and stringing.
- Furnish and install canopy light fixtures, conduit, cabling, terminations, and testing in parking lots to maintain code minimum light levels. Demolition of (3) light poles. Veregy will ensure circuit continuation to other light poles.
- Grounding and labeling of equipment and conduits per NEC and Town of Fountain Hills requirements.
- Verify UL Certification on switchgear after the interconnection, obtain re-certification as directed from SRP and Town of Fountain Hills for line side interconnection.
- Furnish and install 9' minimum clearance parking canopies with wide flange beam post and painted beams. Provide inverter connections to columns and panel connections to purlins.
- Furnish concrete for 16-foot-deep foundations (not to exceed 30-inch diameter) maximum for each column.
- Restore landscaping and irrigation to its original condition, except for tree trimming and removal.
- Trim or removal of (5) trees that have been determined to affect the solar production due to shading.
- Sawcut, removal and off-site haul away of concrete and asphalt as necessary for this scope of work.
- Restripe and replace asphalt, concrete sidewalks or other concrete work within this scope of work.
- Plan for on-site storage and rental equipment. Veregy will work with the town to utilize a central storage location based on availability.
- Provide temporary toilets, dumpsters, and fencing around carport canopy during construction.

2. Community Center

- Execute geotechnical study, utility locating, title reports, CAD-based site survey, private locating and blue stake services for underground work.
- Obtain approvals from the town on the layout for permitting after the aforementioned due diligence is completed.
- Procure and install photovoltaic equipment, including modules (720) Znshine ZMX7-SHLD144, (5) SMA Tripower X-US [(2) Tripower X 70kW], Light Level DAS monitoring system, all electrical

equipment, steel columns, purlins and foundations as determined by engineering and shown in preliminary single line diagrams.

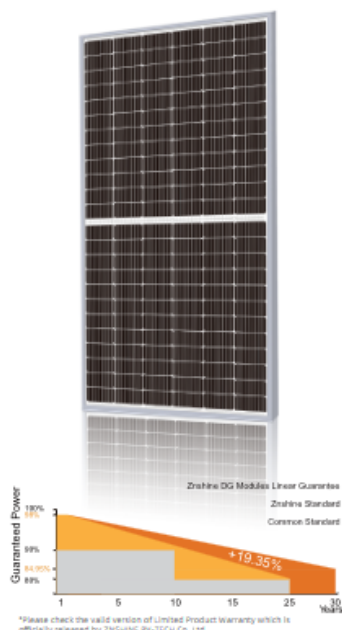
- Procure and install all AC equipment as determined by engineering and shown on final single line diagram, including a 600A/480V fused utility disconnect, 600A/480V non-fused service disconnect, 600A/480V meter socket, 600A/480V combiner panel, and point of interconnection equipment. Utility meter to be furnished and installed by Salt River Project (SRP).
- Project management and site supervision for the duration of construction.
- Furnish and install required AC conduit, cabling, terminations, third party hi-pot testing and special inspections as required by local authority having jurisdiction (Town of Fountain Hills) and SRP.
- Furnish and install all DC wiring and stringing.
- Furnish and install canopy light fixtures, conduit, cabling, terminations, and testing in parking lots to maintain code minimum light levels. Demolition of (6) light poles. Veregy will ensure circuit continuation to other light poles.
- Grounding and labeling of equipment and conduits per NEC and Town of Fountain Hills requirements.
- Verify UL Certification on switchgear after the interconnection, obtain re-certification as directed from SRP and Town of Fountain Hills for line side interconnection.
- Furnish and install 9' minimum clearance parking canopies with wide flange beam post and painted beams. Provide inverter connections to columns and panel connections to purlins.
- Furnish concrete for 16-foot-deep foundations (not to exceed 30-inch diameter) maximum for each column.
- Restore landscaping and irrigation to its original condition, except for tree trimming and removal.
- Trim or removal of (11) trees that have been determined to affect the solar production due to shading.
- Sawcut, removal and off-site haul away of concrete and asphalt as necessary for this scope of work.
- Restripe and replace asphalt, concrete sidewalks or other concrete work within this scope of work.
- Plan for on-site storage and rental equipment. Veregy will work with the town to utilize a central storage location based on availability.
- Provide temporary toilets, dumpsters, and fencing around carport canopy during construction.

Exclusions

- Steel under decking for canopy.
- Prevailing wages.
- All spread footings for foundations.
- All hard dig/drilling (Drilling into water or sand is considered hard dig).
- Any unforeseen site conditions including underground utilities not marked or located by private locate/blue stake.
- Painting of caissons.
- Planting of any new trees or bushes.
- Any switchgear upgrades SRP are required owned by SRP.
- Any PV solar layout changes that need to be made to take into account easement conflicts, if discovered after due diligence is completed.

Section 2 – Component Specifications

- PV Modules: Znshine 555W ZXM7-SHLD144 or equivalent (datasheet attached below).
- String Inverters: SMA TRIPOWER X 70kW/62.5/50kW or equivalent (datasheet attached below).



ZXM7-SHLD144 Series

ZnshinSolar 10BB HALF-CELL

Double Glass Monocrystalline PERC PV Module

530-555W

POWER RANGE

21.48%

MAXIMUM EFFICIENCY

0.45%

YEARLY DEGRADATION

12 12 YEARS PRODUCT WARRANTY

30 30 YEARS OUTPUT GUARANTEE



IEC 61215/IEC 61730/IEC 61701/IEC 62716

ISO 14001: Environmental Management System

ISO 9001: Quality Management System

ISO 45001: Occupational Health and Safety Management System

*As there are different certification requirements in different markets, please contact your local Znshin sales representative for the specific certificates applicable to the products in the region in which the products are to be used.

KEY FEATURES



Excellent Cells Efficiency

MBB technology reduce the distance between busbars and finger grid line which is benefit to power increase.



Better Weak Illumination Response

More power output in weak light condition, such as haze, cloudy, and early morning.



Anti PID

Ensured PID resistance through the quality control of cell manufacturing process and raw materials.



Adapt To Harsh Outdoor Environment

Resistant to harsh environments such as salt, ammonia, sand, high temperature and high humidity environment.



TIER 1

Global, Tier 1 bankable brand, with independently certified advanced automated manufacturing.



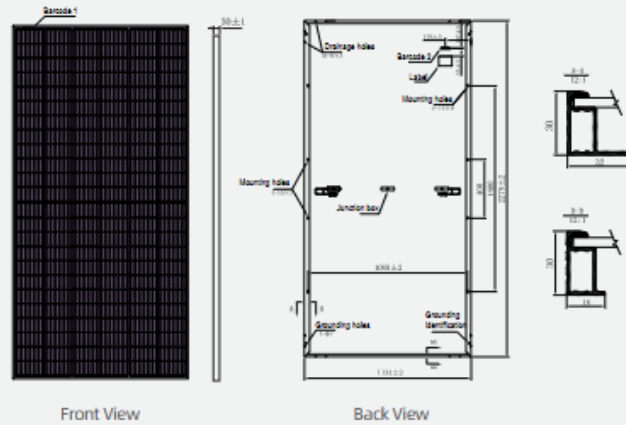
Excellent Quality Management System

Warranted reliability and stringent quality assurances well beyond certified requirements.

Founded in 1988, ZNShine solar is a world's leading high-tech PV module manufacturer. With the advanced production lines, the company boasts module capacity of 10 GW. Bloomberg has listed ZNShine as a global Tier 1 PV module maker. Today Znshin has distributed its sales to more than 60 countries around the globe.

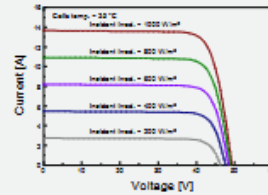
www.znshinesolar.com

DIMENSIONS OF PV MODULE(mm)

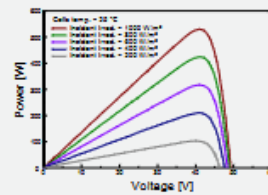


*Remark: customized frame color and cable length available upon request

I-V CURVES OF PV MODULE(530W)



P-V CURVES OF PV MODULE(530W)



ELECTRICAL CHARACTERISTICS | STC*

Nominal Power Watt Pmax(W)*	530	535	540	545	550	555	Solar cells	Mono PERC
Maximum Power Voltage Vmp(V)	41.00	41.20	41.40	41.60	41.80	42.00	Cells orientation	144 (6x24)
Maximum Power Current Imp(A)	12.94	13.00	13.05	13.11	13.16	13.22	Module dimension	2279x1134x30 mm (With Frame)
Open Circuit Voltage Voc(V)	49.30	49.50	49.70	49.90	50.10	50.30	Weight	31.5±1.0 kg
Short Circuit Current Isc(A)	13.66	13.72	13.78	13.84	13.90	13.96	Glass	2.0 mm+2.0mm, High Transmission, AR Coated Heat Strengthened Glass
Module Efficiency (%)	20.51	20.70	20.89	21.09	21.28	21.48	Junction box	IP 68, 3 diodes
*The data above is for reference only and the actual data is in accordance with the practical testing							Cables	4 mm², 350 mm (With Connectors)
STC (Standard Test Condition): Irradiance 1000W/m², Module Temperature 25±2°C, AM 1.5							Connectors	MCA-compatible
*Measuring uncertainty: ±3%, all the electrical characteristics such as Power, Im, Vm and Pmax are within ±3% tolerance.							*Please refer to regional datasheet for specified connector	

ELECTRICAL CHARACTERISTICS | NMOT

Maximum Power Pmax(Wp)	396.30	400.00	403.50	407.20	410.80	414.70	NMOT	44°C ±2°C	Maximum system voltage	1500 V DC	
Maximum Power Voltage Vmpp(V)	38.20	38.30	38.50	38.70	38.90	39.00	Temperature coefficient of Pmax	-0.35%/°C	Operating temperature	-40°C~+85°C	
Maximum Power Current Impp(A)	10.39	10.43	10.48	10.52	10.57	10.62	Temperature coefficient of Voc	-0.29%/°C	Maximum series fuse	25 A	
Open Circuit Voltage Voc(V)	46.10	46.20	46.40	46.60	46.80	47.00	Temperature coefficient of Isc	0.05%/°C	Front Side Maximum Static Loading	Up to 5400 Pa	
Short Circuit Current Isc(A)	11.03	11.08	11.13	11.18	11.23	11.27	Rear Side Maximum Static Loading				Up to 2400 Pa

/ STP 50-US-80 / STP 62-US-80 / STP 70-US-80 / STP 31-US-80 (208V)



preliminary



Sunny Tripower X-US

50 / 62 / 70
31 (208V)

/ Integrated intelligence for
future-proof system design.

powered by
ennexOS



SMA
Smart Connected



UL 3741 LISTED
PV Hazard Control



Rapid Shutdown
CERTIFIED



SMA ShadeFix
MAXIMUM ENERGY YIELD

Integrated System Manager

- Monitoring and control for up to 5 inverters
- Remote access with Sunny Portal powered by ennexOS
- SMA Dynamic Power Control

Enhanced safety

- Integrated AC and DC disconnects
- Integrated AC type 2 and DC type 1 + 2 surge protection
- Integrated SunSpec PLC signal for module-level shutdown
- Advanced DC AFCI arc-fault protection

Maximum yields

- Five MPP trackers for flexible array design and maximum power production
- SMA ShadeFix string level optimization
- Integrated I-V curve diagnostics

Smart monitoring, control and service

- SMA Smart Connected proactive monitoring and service solution
- SMA ennexOS cross-sector energy management platform

Sunny Tripower X-US is the new innovative inverter solution for commercial PV systems.

Providing five MPP trackers with SMA ShadeFix string optimization technology for optimal PV array design flexibility and maximum energy yields, the German-engineered Sunny Tripower X-US delivers top-tier performance. SMA's proven integrated rapid shutdown support and reliable DC AFCI arc-fault protection ensure enhanced system safety. And now with the new integrated System Manager, powered by SMA's ennexOS cross-sector energy management platform, Sunny Tripower X-US becomes the centerpiece of the SMA Commercial Energy Solution for comprehensive commercial energy systems now and in the future.

preliminary

Technical data	Sunny Tripower X 50-US	Sunny Tripower X 62-US	Sunny Tripower X 70-US
Input (DC)			
Maximum array power	75000 Wp STC	93750 Wp STC	105000 Wp STC
Maximum system voltage		1000 V	
Rated MPPT voltage range		500 V ... 850 V	
MPPT operating voltage range		200 V ... 1000 V	
Minimum DC voltage / start voltage		200 V / 250 V	
MPPT trackers / strings per MPPT input		5 / 2	
Maximum usable operating input current / Maximum short circuit current per MPPT		40 A / 50 A	
Output (AC)			
Nominal output power	50000 W	62500 W	70000 W
Maximum apparent power	53000 VA	66000 VA	75000 VA
Output phases / line connection		3 / 3(NI)-PE	
Nominal AC voltage		480 V / 277 V WYE	
AC voltage range		244 V ... 305 V	
Maximum output current	64 A	80 A	95.3 A
Rated grid frequency / range		60 Hz / 54 Hz ... 66 Hz	
Power factor at rated power / adjustable displacement		1 / 0.8 leading ... 0.8 lagging	
Harmonics (THD)		< 3 %	
Efficiency			
CEC efficiency	TBD	TBD	TBD
Protection and safety features			
Load rated AC disconnect / Load rated DC disconnect		● / ●	
Ground fault monitoring / grid monitoring		● / ●	
DC reverse polarity protection / AC shortcircuit protection		● / ●	
Allpole sensitive residual-current monitoring unit		●	
DC AFCI arc-fault protection / IV curve diagnostic function		● / ●	
SunSpec PLC signal for rapid shutdown		●	
Surge protection		DC: Type I + II AC: Type II	
Protection class / overvoltage category		I / DC: II AC: III	
General data			
Device dimensions (W/H/D)		670 mm / 640 mm / 270 mm (26.4 in / 25.2 in / 10.6 in)	
Device weight		43 kg (95 lbs)	
Operating temperature range		-25 °C to +60 °C (-13 °F to +140 °F)	
Audible noise emission (full power @ 1m and 25 °C)		55 dB(A)	
Topology / cooling concept		Transformerless / OptiCool (forced convection, variable speed fans)	
Enclosure protection rating		Type 4X (as per UL 50E)	
Corrosive classification		C5	
Maximum permissible relative humidity (non-condensing)		100%	
Additional information			
Mounting		Vertical rack / wall mount to 15° from horizontal	
DC connection / AC connection		Stäubli MC4 / TBD	
LED indicators (status / fault / communication)		●	
Network interfaces: Ethernet / WLAN		● (2 ports) / ●	
Data protocols: SMA Modbus / SunSpec Modbus / Speedwire		● / ● / ●	
Multi-function relay		●	
Digital Inputs / Fast Stop		4 / 2	
ShadeFix technology for string level optimization		●	
Integrated Plant Control / Q on Demand 24/7		● / ●	
SMA Smart Connected (proactive monitoring and service support)		●	
Standard warranty		10 years	
Optional warranty extensions (total warranty coverage cannot exceed 20 years)		+5 years, +10 years	
Certificates and approvals			
Certificates and approvals		UL 1741, UL 62109-1, UL 1699B Ed.1, PV Rapid Shutdown System Equipment in accordance with UL 1741:2021, UL 3741, UL 1998	
FCC compliance		FCC Part 15 Class A	
Grid interconnection standards		UL 1741 SB, IEEE 1547:2018, CA Rule 21, HECO SRD V2.0	
Integrated System Manager			
Maximum number of supported inverters / energy meters		5 / 1	
Maximum system power PV inverters (nominal AC power)		TBD	
Centralized commissioning of all devices in the system		●	
Remote parameterization of SMA devices		via Sunny Portal powered by ennasOS	
SMA Dynamic Power Control (e.g. zero export / VoltVAr)		●	
Type designation	STP 50-US-80	STP 62-US-80	STP 70-US-80

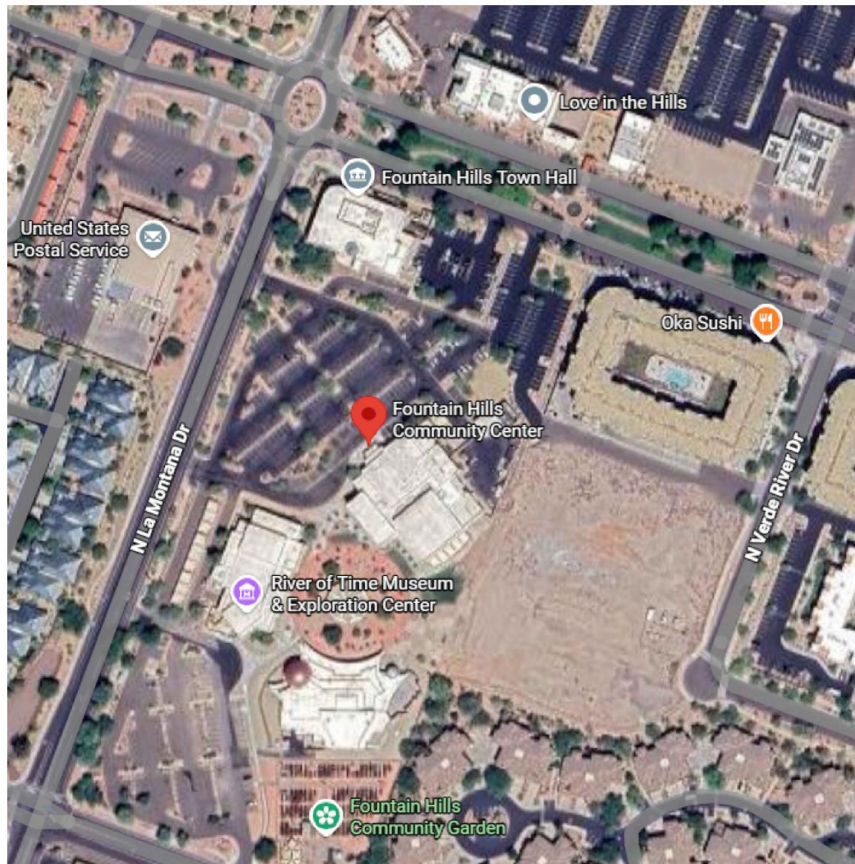
● Standard features ○ Optional — Not available Data in nominal conditions Last revision: 08/2025

Accessories



TOWN OF FOUNTAIN HILLS - TOWN HALL

198.135 kW(DC) / 175 kW(AC) PV SYSTEM DESIGN



16705 E AVENUE FOUNTAIN HILLS, AZ
85268

SYSTEM DESIGN INDEX

DRAWING INDEX	
SHEET NO.	SHEET TITLE
T-1	TITLE SHEET, PROJECT DATA, DRAWING INDEX
G-1	GENERAL NOTE & SYMBOL NOTE
E-1	PV LAYOUT
E-2	BILL OF MATERIAL
E-3	SINGLE LINE DIAGRAM
E-4	INTERCONNECTION
D-1	TECHNICAL DATA SHEETS

ISSUED FOR BID

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC.
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

0.0 05/08/26 ISSUED FOR BID
REV. DATE DESCRIPTION

**TOWN OF FOUNTAIN HILLS
TOWN HALL**



16705 E AVENUE FOUNTAIN HILLS, AZ
85268

TITLE SHEET

DRAWING NUMBER: DER/SLD/CFH1/1.0
PROJECT NUMBER: (33) 92-26-027
ISSUED: 19-MAY-2026
DRAWN BY: YK
CHECKED BY: SS
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

T-1
ARCH D
24" X 36"

TOWN OF FOUNTAIN HILLS - TOWN HALL

198.135 kW(DC) / 175 kW(AC) PV SYSTEM DESIGN

GENERAL NOTE

- 1 ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE LATEST EDITION OF THE NATIONAL ELECTRICAL CODE, STATE & LOCAL CODES.
- 2 CONTRACTOR SHALL PROVIDE SUBMITTALS OF ALL MATERIALS REQUIRED TO COMPLETE THE INSTALLATION.
- 3 CONTRACTORS TO PROVIDE "ARC FLASH HAZARD" LABEL AND "UL APPROVAL CODE" LABEL ON EACH LOCATION AS REQUIRED PER UL CODE.
- 4 CONTRACTORS NEED TO SUPPLY THEIR OWN LIFT EQUIPMENT.
- 5 LABELS TO BE ATTACHED BASED ON REQUIREMENTS OF THE INDIVIDUAL EQUIPMENT



GENERAL NOTE

SYMBOL LEGEND

- AC DISCONNECT
- INVERTER (INV-##)
- X-# SHEET #
- CONSTRUCTION NOTES
- EXISTING CABLE ROUTING
- POWER CABLE ROUTING
- COMMUNICATION CABLE ROUTING
- EV CABLE ROUTING
- ELECTRICAL FEED
- SES
- PV COMBINER PANEL
- STRUCTURE POLE
- GENERAL NOTE
- EV CHARGER - AC
- EV CHARGER - DC FAST
- EV CHARGER - PROVISION
- UNDER CANOPY LIGHTING

ISSUED FOR BID

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC.
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

0.0 05/08/26 ISSUED FOR BID
REV. DATE DESCRIPTION

TOWN OF FOUNTAIN HILLS
TOWN HALL



16705 E AVENUE FOUNTAIN HILLS, AZ
85268

GENERAL NOTE &
SYMBOLS NOTE

DRAWING NUMBER: DER/SLD/CFH1/1.0
PROJECT NUMBER: (33) 92-26-027
ISSUED: 19-MAY-2026
DRAWN BY: YK
CHECKED BY: SS
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

G-1
ARCH D
24" X 36"

<u>System Design Summary</u>	
Total # of Panels	357
Panel Type	Znshine PV-Tech Co., Ltd ZXM7-SHDB144-555/M
System Power	198.135kW-DC / 175kW-AC
Inverter Type 1	(1) 50 kW
Inverter Type 2	(2) 62.5 kW

POINT OF INTERCONNECTION
1200A, 480/277V, 3PHASE
METER : 2318258
UTILITY: SRP

INV3

PVAC

INV2

INV1

Structural Pole (Typical)

UNDERCANOPY LIGHTING

Design Note –

1. PVAC shall be mounted on the column.
2. Contractor shall provide fencing around the other equipment to ensure proper safety.

 SCALE : 1/25" = 1'-0"

ISSUED FOR BID

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC.
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

0.0	05/08/26	ISSUED FOR BID
REV.	DATE	DESCRIPTION

TOWN OF FOUNTAIN HILLS
TOWN HALL



16705 E AVENUE FOUNTAIN HILLS, AZ
85268

PV LAYOUT

DRAWING NUMBER:	DER/SLD/CFH1/1.0
PROJECT NUMBER:	(33) 92-26-027
ISSUED:	19-MAY-2026
DRAWN BY:	YK
CHECKED BY:	SS
APPROVED BY:	CS
SCALE:	AS NOTED
SHEET NO.	

E-

ARCH D
24" X 36"

BILL OF MATERIAL (MAJOR)

ISSUED FOR BID

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC.
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

QTY	Part Number	Manufacturer	Description	Scope
1			1200A 480/277VAC, 3P, 4W	Existing
357	ZXM7-SHDB144 555	Znshine PV-Tech Co., Ltd	555W, PERC, Bifacial PV Module	Veregy
1	Sunny Tripower X 50-US	SMA	50kW String Inverters	Veregy
2	Sunny Tripower X 62-US	SMA	62.5kW String Inverters	Veregy
1	Light Level	Veregy	DAS Monitoring System	Veregy

0.0 05/08/26 ISSUED FOR BID
REV. DATE DESCRIPTION

TOWN OF FOUNTAIN HILLS
TOWN HALL

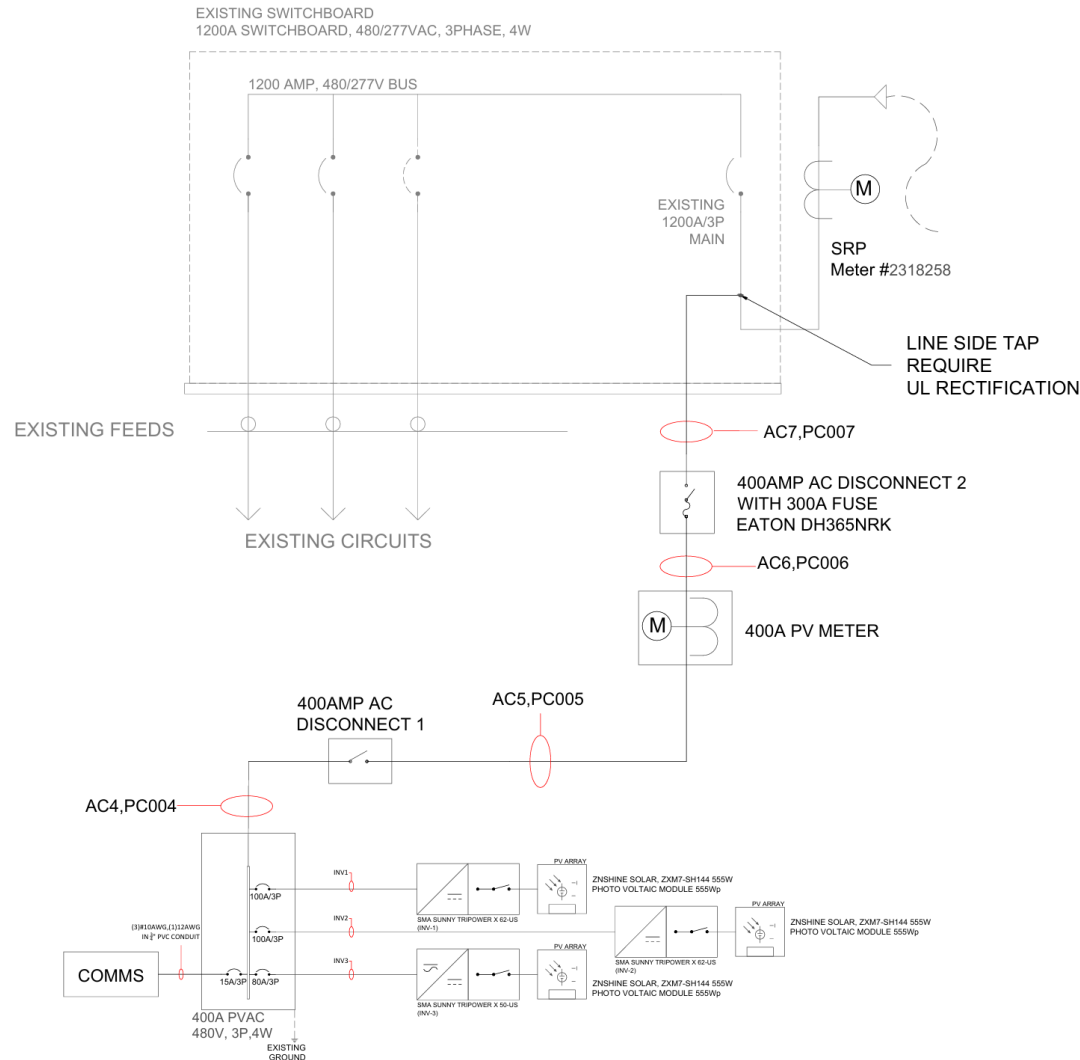


16705 E AVENUE FOUNTAIN HILLS, AZ
85268

BILL OF MATERIAL

DRAWING NUMBER: DER/SLD/CFH1/1.0
PROJECT NUMBER: (33) 92-26-027
ISSUED: 19-MAY-2026
DRAWN BY: YK
CHECKED BY: SS
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

E-2
ARCH D
24" X 36"



System Design Summary	
Total # of Panels	357
Panel Type	Znshine PV-Tech Co., Ltd ZXM7-SHDB144-555/M
System Power	198.135kW-DC / 175kW-AC
Inverter Type 1	(1) 50 kW
Inverter Type 2	(2) 62.5 kW

ISSUED FOR BID

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

0.0 05/08/26 ISSUED FOR BID
REV. DATE DESCRIPTION

**TOWN OF FOUNTAIN HILLS
TOWN HALL**



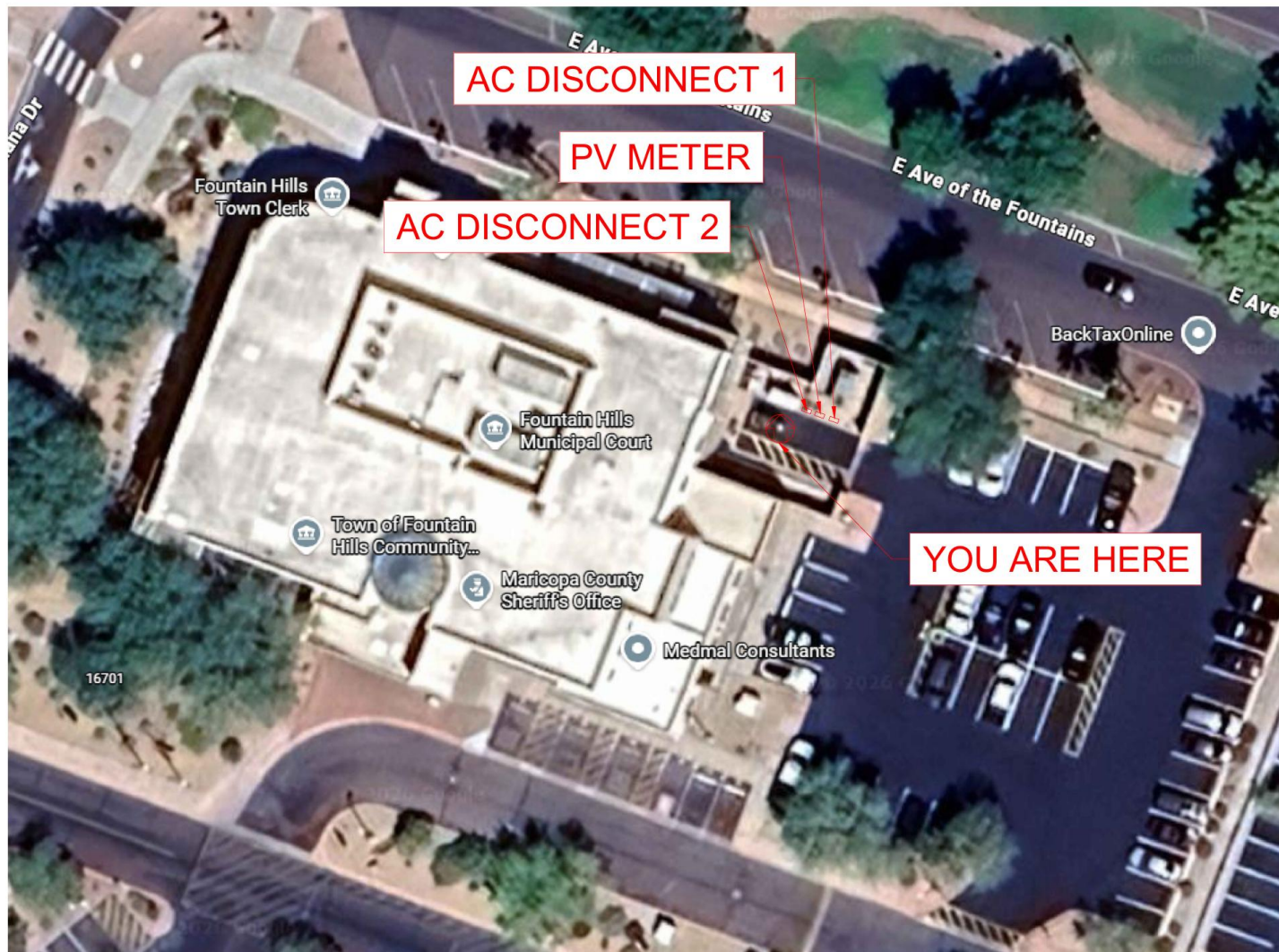
16705 E AVENUE FOUNTAIN HILLS, AZ
85268

SINGLE LINE DIAGRAM

DRAWING NUMBER: DER/SLD/CFH1/1.0
PROJECT NUMBER: (33) 92-26-027
ISSUED: 19-MAY-2026
DRAWN BY: VK
CHECKED BY: SS
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

E-3
ARCH D
24" X 36"

CONDUIT AND CONDUCTOR SIZING												
Tag	Conduit Tag	Circuit Origin	Circuit Destination	Parallel Conduits	Conduit Size	Conduit Type	Material	Conductor Type	Conductors	Voltage Drop (%)	Conduit Fill %	Circuit Length
Inv-1	PC001	Inverter (Type 2)	AC Combiner Panel 1	1	1-1/2"	EMT	Aluminum	THWN-2	(3) AWG #1, (1) AWG #6	1.04%	25.5%	139
Inv-2	PC002	Inverter (Type 2)	AC Combiner Panel 1	1	1-1/2"	EMT	Aluminum	THWN-2	(3) AWG #1, (1) AWG #6	0.15%	25.5%	20
Inv-3	PC003	Inverter (Type 1)	AC Combiner Panel 1	1	1-1/4"	SCH. 40 PVC	Aluminum	THWN-2	(3) AWG #2, (1) AWG #6	0.63%	27.4%	85
AC4	PC004	AC Combiner Panel 1	AC Disconnect 1	1	3"	SCH. 40 PVC	Aluminum	THWN-2	(4) 500 kCMIL, (1) AWG #2	1.05%	32.4%	271
AC5	PC005	AC Disconnect 1	PV Meter	1	3"	EMT	Aluminum	THWN-2	(4) 500 kCMIL, (1) AWG #2	0.04%	26.6%	10
AC6	PC006	PV Meter	AC Disconnect 2	1	3"	EMT	Aluminum	THWN-2	(4) 500 kCMIL, (1) AWG #2	0.04%	26.6%	10
AC7	PC007	AC Disconnect 2	Line Side Connection	1	2-1/2"	EMT	Copper	THWN-2	(4) 300 kCMIL, (1) AWG #2	0.04%	27.6%	10



ISSUED FOR BID

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC.
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

0.0	05/08/26	ISSUED FOR BID
REV.	DATE	DESCRIPTION

**TOWN OF FOUNTAIN HILLS
TOWN HALL**



16705 E AVENUE FOUNTAIN HILLS, AZ
85268

INTERCONNECTION

DRAWING NUMBER:	DER/SLD/CFH1/1.0
PROJECT NUMBER:	(33) 92-26-027
ISSUED:	19-MAY-2026
DRAWN BY:	YK
CHECKED BY:	SS
APPROVED BY:	CS
SCALE:	AS NOTED
SHEET NO.	

E-4
ARCH D
24" X 36"

ZMH07-SH0414 Series

ZnOshene 108W HALF-CELL μ c-Si
Monocrystalline REC PV Module

ZKSHINE SOLAR

DIMENSIONS OF PV MODULE(mm)

Front View

Back View

I-V CURVES OF PV MODULES(100W)

P-V CURVES OF PV MODULES(100W)

*Note: Dimensions are for reference only and subject to change without notice.

ELECTRICAL CHARACTERISTICS (100W)

Parameter	Test Condition	Min	Typ	Max	Unit
Maximum Power (P _{max})	1000 W/m ² , 25°C	100	100	100	W
Maximum Power Voltage (V _{mp})	47.50 V, 1000 W/m ² , 25°C	47.50	47.50	47.50	V
Maximum Power Current (I _{mp})	2.10 A, 1000 W/m ² , 25°C	2.10	2.10	2.10	A
Open Circuit Voltage (V _{oc})	60.00 V, 1000 W/m ² , 25°C	60.00	60.00	60.00	V
Short Circuit Current (I _{sc})	2.40 A, 1000 W/m ² , 25°C	2.40	2.40	2.40	A
Module Efficiency (%)	15.00 V, 1000 W/m ² , 25°C	15.00	15.00	15.00	%
Module Fill Factor (%)	30.00 V, 1000 W/m ² , 25°C	30.00	30.00	30.00	%

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

1000 W/m² Irradiance, 1.5 Air Mass, 25°C Temperature, 100% Relative Humidity

ELEMINA® DISTOLTER ECO



DIMENSIONS



ROUTING OPTIONS



ROUTING (left)
(Zona routing sx)



ROUTING (right)
(Zona routing dx)



ROUTING (top)
(Zona routing su)



ROUTING (bottom)
(Zona routing so)



ROUTING (front)
(Zona routing av)



ROUTING (back)
(Zona routing dv)



ROUTING (left)
(Zona routing sx)



ROUTING (right)
(Zona routing dx)



ROUTING (top)
(Zona routing su)



ROUTING (bottom)
(Zona routing so)



ROUTING (front)
(Zona routing av)



ROUTING (back)
(Zona routing dv)

PROTECTIONS

PROTECTIONS (left) DISTOLTER ECO

POLAR (L) (L) (L)



1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

PROTECTIONS (right) DISTOLTER ECO

POLAR (R) (R) (R)



1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1.5 INCHES

1

[illegible]

Meeting Packet Page 124 of 290

TOWN OF FOUNTAIN HILLS COMMUNITY CENTER

399.6 kW(DC) / 350 kW(AC) PV SYSTEM DESIGN



13001 N LA MONTANA DR, FOUNTAIN
HILLS, AZ 85268

SYSTEM DESIGN INDEX

DRAWING INDEX	
SHEET NO.	SHEET TITLE
T-1	TITLE SHEET PROJECT DATA, DRAWING INDEX
G-1	GENERAL NOTE & SYMBOL NOTE
E-1	PV LAYOUT
E-2	BILL OF MATERIAL
E-3	SINGLE LINE DIAGRAM
E-4	INTERCONNECTION
D-1	TECHNICAL DATA SHEETS

ISSUED FOR BID(1.0)

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE REPRODUCED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT. WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC, ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENTS AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

T.O. 05/19/25 ISSUED FOR BID
D.O. 05/19/25 ISSUED FOR REVIEW
REV. DATE DESCRIPTION

TOWN OF FOUNTAIN HILLS
COMMUNITY CENTER



13001 N LA MONTANA DR, FOUNTAIN
HILLS, AZ 85268

TITLE SHEET

DRAWING NUMBER: DEN/2507/PHI/201.0
PROJECT NUMBER: [3] 82-26-027
ISSUED: 19-MAY-2026
DRAWN BY: SS
CHECKED BY: YK
APPROVED BY: CS
SCALE: AS NOTED

SHEET NO.

T-1
ARCH D
24" X 36"

TOWN OF FOUNTAIN HILLS COMMUNITY CENTER

399.6 kW(DC) / 350 kW(AC) PV SYSTEM DESIGN

GENERAL NOTE

1. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE LATEST EDITION OF THE NATIONAL ELECTRICAL CODE, STATE & LOCAL CODES.
2. CONTRACTOR SHALL PROVIDE SUBMITTALS OF ALL MATERIALS REQUIRED TO COMPLETE THE INSTALLATION.
3. CONTRACTORS TO PROVIDE "ARC FLASH HAZARD" LABEL AND "UL APPROVAL CODE" LABEL ON EACH LOCATION AS REQUIRED PER UL CODE.
4. CONTRACTORS NEED TO SUPPLY THEIR OWN LIFT EQUIPMENT.
5. LABELS TO BE ATTACHED BASED ON REQUIREMENTS OF THE INDIVIDUAL EQUIPMENT



GENERAL NOTE

SYMBOL LEGEND

- AC DISCONNECT
- INVERTER (INV-##)
- X-# SHEET #
- △ CONSTRUCTION NOTES
- EXISTING CABLE ROUTING
- POWER CABLE ROUTING
- COMMUNICATION CABLE ROUTING
- EV CABLE ROUTING
- ELECTRICAL FEED
- SES
- PV COMBINER PANEL
- STRUCTURE POLE
- GENERAL NOTE
- UNDER CANOPY LIGHTING

ISSUED FOR BID(1.0)

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGN THEREON SHALL NOT BE REPRODUCED, COPIED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

1.0 05/18/23 ISSUED FOR BID
0.0 05/18/24 ISSUED FOR REVIEW

TOWN OF FOUNTAIN HILLS
COMMUNITY CENTER

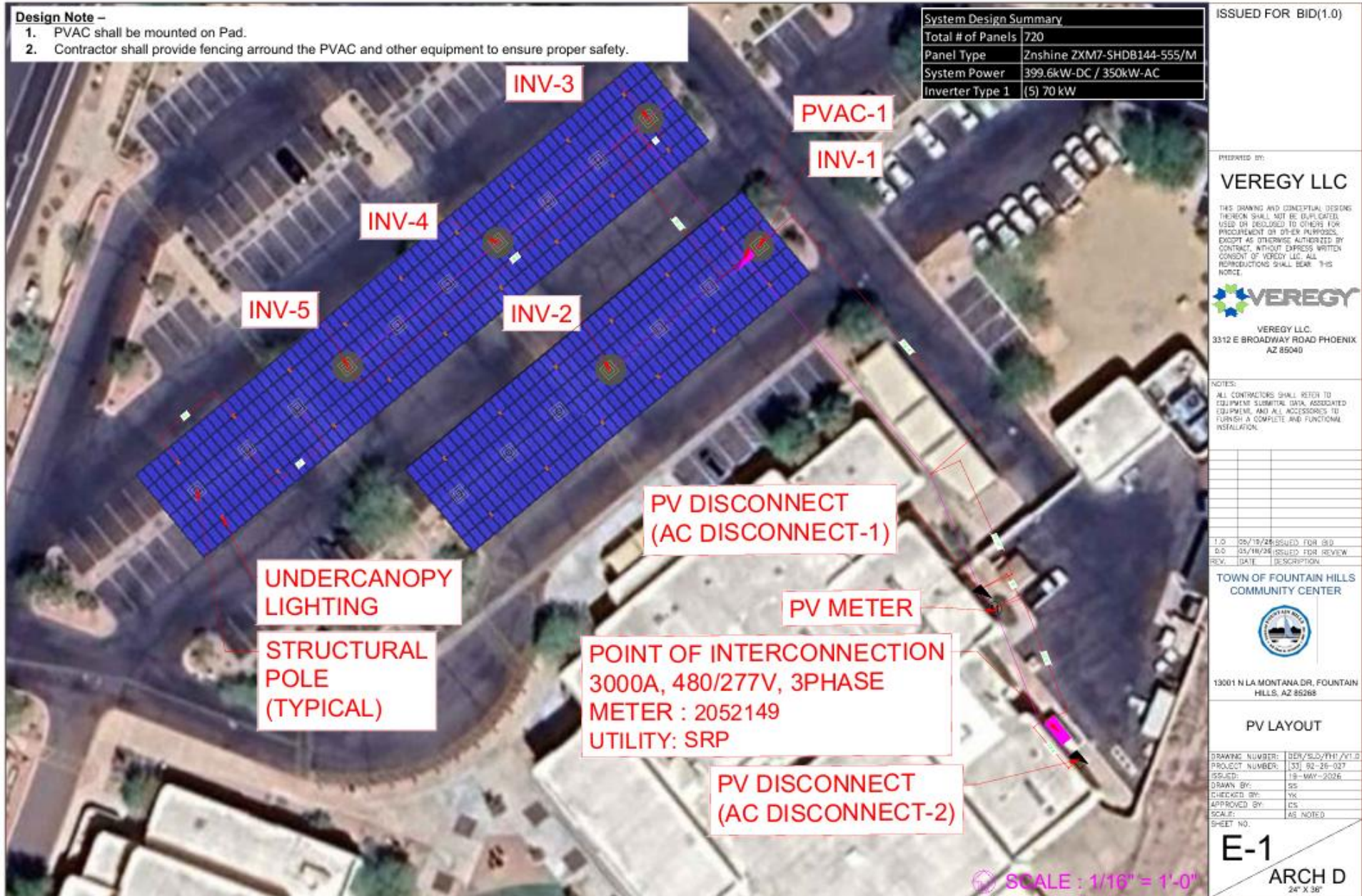


13001 N LA MONTANA DR, FOUNTAIN
HILLS, AZ 85268

GENERAL NOTE &
SYMBOLS NOTE

DRAWING NUMBER: DER/SOL/PHI/V1.0
PROJECT NUMBER: 331 02-26-027
ISSUED: 18-MAY-2026
DRAWN BY: SS
CHECKED BY: YK
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

G-1
ARCH D
24" X 36"



BILL OF MATERIAL (MAJOR)

Qt	Unit	Part No.	Manufacturer	Description	Scope
1	Nos	--	GE	SES 3000AMP, 277/480VAC, 3P, 4W	Existing
720	Nos	ZNShine Solar, ZXM7-SH144 555W (555W)	ZNSHINE	555W	Veregy
5	Nos	SUNNY TRIPOWER X-70-US	SMA	70kW String Inverter with 97.5% CEC efficiency and NEMA 4X Enclosure	Veregy
1	Set	Light Level	Veregy	DAS Monitoring System	Veregy

ISSUED FOR BID(1.0)

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGNS THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC.
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

T.O. 05/18/2018 ISSUED FOR BID
D.O. 05/18/2018 ISSUED FOR REVIEW
REV. DATE DESCRIPTION

**TOWN OF FOUNTAIN HILLS
COMMUNITY CENTER**



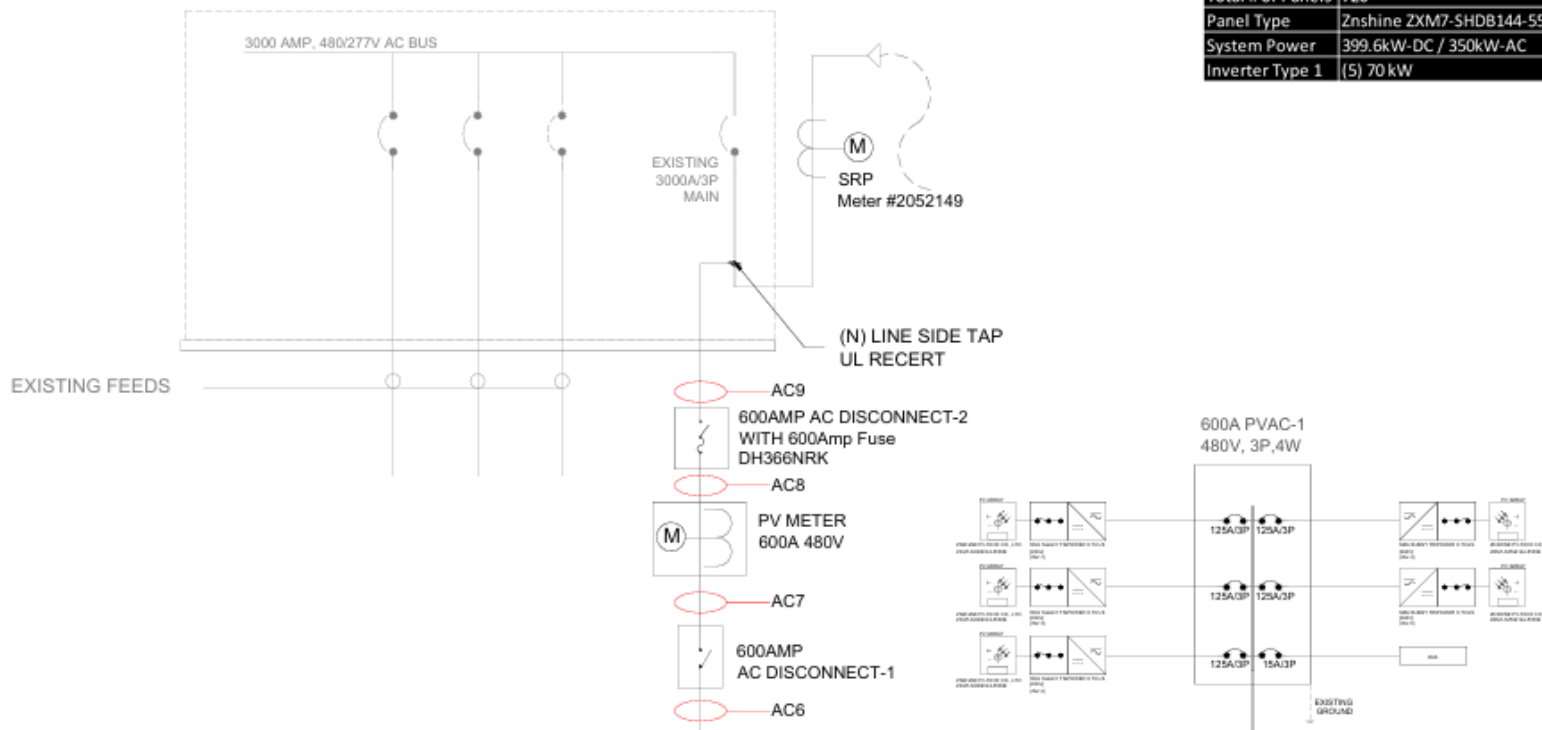
19001 N LA MONTANA DR, FOUNTAIN
HILLS, AZ 85268

BILL OF MATERIAL

DRAWING NUMBER: DER/SO/PHH/V1.0
PROJECT NUMBER: [33] 02-26-027
ISSUED: 18-MAY-2026
DRAWN BY: SS
CHECKED BY: YK
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

E-2
ARCH D
24" X 36"

EXISTING SWITCHBOARD
3000A SWITCHBOARD, 480/277AC, 3PHASE, 4W



System Design Summary

Total # of Panels	720
Panel Type	Znshine ZXM7-SHDB144-555/M
System Power	399.6kW-DC / 350kW-AC
Inverter Type 1	(5) 70 kW

ISSUED FOR BID(1.0)

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGN THEREON SHALL NOT BE REPRODUCED, COPIED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES, EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT, WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC. ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

1.0 05/18/2018 ISSUED FOR BID

0.0 05/18/2018 ISSUED FOR REVIEW

REV. DATE DESCRIPTION

TOWN OF FOUNTAIN HILLS
COMMUNITY CENTER



13001 N LA MONTANA DR, FOUNTAIN
HILLS, AZ 85268

SINGLE LINE DIAGRAM

DRAWING NUMBER: DER/SLS/WHI/VY.0
PROJECT NUMBER: 131_02-26-037
ISSUED: 18-MAY-2026
DRAWN BY: SS
CHECKED BY: YK
APPROVED BY: CS
SCALE: AS NOTED
SHEET NO.

E-3
ARCH D
24" X 36"

CONDUIT AND CONDUCTOR SIZING

Tag	Circuit Origin	Circuit Destination	Parallel Conduits	Conduit Size	Conduit Type	Material	Conductor Type	Conductors	Final Voltage Drop (%)	Conduit Fill %	Circuit Length
Inv-1	Inverter (Type 1)	AC Combiner Panel 1	1	1-1/2"	SCH. 40 PVC	Aluminum	THWN-2	(3) AWG #1/0, (1) AWG #4	1.49%	32.2%	15
Inv-2	Inverter (Type 1)	AC Combiner Panel 1	1	1-1/2"	SCH. 40 PVC	Aluminum	THWN-2	(3) AWG #1/0, (1) AWG #4	2.03%	32.2%	90
Inv-3	Inverter (Type 1)	AC Combiner Panel 1	1	1-1/2"	SCH. 40 PVC	Aluminum	THWN-2	(3) AWG #1/0, (1) AWG #4	2.06%	32.2%	95
Inv-4	Inverter (Type 1)	AC Combiner Panel 1	1	2"	SCH. 40 PVC	Aluminum	THWN-2	(3) AWG #2/0, (1) AWG #3	2.26%	23.2%	160
Inv-5	Inverter (Type 1)	AC Combiner Panel 1	1	2"	SCH. 40 PVC	Aluminum	THWN-2	(3) AWG #3/0, (1) AWG #2	2.43%	27.9%	235
AC6	AC Combiner Panel 1	AC Disconnect 1	2	4"	SCH. 40 PVC	Aluminum	THWN-2	(4) 500 kCMIL, (1) AWG #2/0	1.38%	20.4%	240
AC7	AC Disconnect 1	PV Meter	2	3"	EMT	Aluminum	THWN-2	(4) 500 kCMIL, (1) AWG #2/0	0.39%	29.0%	10
AC8	PV Meter	AC Disconnect 2	2	4"	SCH. 40 PVC	Aluminum	THWN-2	(4) 500 kCMIL, (1) AWG #2/0	0.35%	20.4%	75
AC9	AC Disconnect 2	Line Side Connection	2	3"	EMT	Copper	THWN-2	(4) 350 kCMIL, (1) AWG #2/0	0.04%	22.8%	10



FINAL DISCONNECT
AC DISCONNECT 2
600A 480V



ISSUED FOR BID(1.0)

PREPARED BY:

VEREGY LLC

THIS DRAWING AND CONCEPTUAL DESIGN THEREON SHALL NOT BE DUPLICATED, USED OR DISCLOSED TO OTHERS FOR PROCUREMENT OR OTHER PURPOSES EXCEPT AS OTHERWISE AUTHORIZED BY CONTRACT. WITHOUT EXPRESS WRITTEN CONSENT OF VEREGY LLC, ALL REPRODUCTIONS SHALL BEAR THIS NOTICE.



VEREGY LLC
3312 E BROADWAY ROAD PHOENIX
AZ 85040

NOTES:

ALL CONTRACTORS SHALL REFER TO EQUIPMENT SUBMITTAL DATA, ASSOCIATED EQUIPMENT, AND ALL ACCESSORIES TO FURNISH A COMPLETE AND FUNCTIONAL INSTALLATION.

1.0	05/19/2024	ISSUED FOR BID
2.0	05/19/2024	ISSUED FOR REVIEW
REV.	DATE	DESCRIPTION

**TOWN OF FOUNTAIN HILLS
COMMUNITY CENTER**



19001 N LA MONTANA DR, FOUNTAIN
HILLS, AZ 85268

INTERCONNECTION

DRAWING NUMBER:	DER/502/FH/INT.0
PROJECT NUMBER:	131 82-26-027
DESIGN:	18-MAY-2024
DRAWN BY:	YS
CHECKED BY:	YK
APPROVED BY:	CS
SCALE:	AS NOTED
SHEET NO.	

E-4
ARCH D
24" X 36"

INSTALLATION SCHEDULE

To be finalized in coordination with the Customer and the VEREGY Project Manager after the execution date of this contract.

ATTACHMENT C

PAYMENT SCHEDULE

1. The following is the payment schedule for the project.

Construction of the Project

The project shall be invoiced on a monthly basis for the work completed and equipment ordered for the project. These progress invoices shall be submitted on the last day of each month. All invoices shall be billed as net forty-five (45) days.

A mobilization fee will be due upon contract execution for 7% of the contract price for a total of One Hundred Sixty-Seven Thousand Three Hundred Sixty-Three Dollars (\$167,363.00).

Combined invoices from VEREGY shall not exceed One Million Four Hundred Thousand Dollars (\$1,400,000.00) between July 1, 2026, and June 30, 2027, to comply with Customer's FY 2026-27 budget.

The balance amount of Eight Hundred Twenty-Three Thousand Five Hundred Thirty-Seven Dollars (\$823,537.00) is to be invoiced by VEREGY after July 1, 2027, to comply with CUSTOMER'S FY2027-28 budget.

Measurement & Verification Fees:

VEREGY will provide monthly energy usage monitoring and annual reporting for the term of this contract. Reporting will begin a year after the completion of construction. Customer agrees to pay the annual Measurement & Verification fee as provided for below with respect to such agreed upon services.

The CUSTOMER may cancel the Measurement and Verification services described herein in any given year prior to the end of term. In the event that CUSTOMER cancels the Measurement and Verification services, then the guarantee, as described in ENERGY GUARANTEE AND SCHEDULE OF SAVINGS, Attachments D & E, shall be agreed to have been achieved for the entire term of the project. CUSTOMER may cancel said services by notifying VEREGY in writing of the same.

YEAR	Annual M & V Fee
1	\$4,455
2	\$4,611
3	\$4,772
4	\$4,939
5	\$5,112
6	\$5,291
7	\$5,476
8	\$5,668
9	\$5,866
10	\$6,072
11	\$6,284
12	\$6,504
13	\$6,732
14	\$6,967
15	\$7,211

ATTACHMENT D
ENERGY GUARANTEE

1. DEFINITIONS

When used in this Agreement, the following capitalized words shall have the meanings ascribed to them below:

"Baseline Period" is the period of time which defines the Baseline Usage and is representative of the facilities' operations, consumption, and usage that is used as the benchmark for determining cost avoidance.

"Baseline Usage or Demand" the calculated or measured energy usage (demand) by a piece of equipment or a site prior to the implementation of the ECMs. Baseline physical conditions, such as equipment counts, nameplate date, and control strategies, will typically be determined through surveys, inspections, and/or metering at the site.

"Energy and Operational Cost avoidance Guarantee Practices" are those practices identified in Attachment E, intended to achieve avoided costs in energy and/or operating expenses.

"Energy Costs" may include the cost of electricity and fuels to operate HVAC equipment, facility mechanical and lighting systems, and energy management systems, and the cost of water and sewer usage, as applicable.

"ECM" the Energy Conservation Measure (ECM) is the installation of equipment or systems, or modification of equipment or systems as described in Attachment A.

"Facilities" shall mean those buildings where the energy and operational cost savings will be realized.

"F.E.M.P." shall mean the Federal Energy Management Program of the U.S. Department of Energy and its Measurement and Verification Guidelines for Federal Energy Projects (DOE/GO-10096-248, February 1996, or later versions). The F.E.M.P. guidelines classify measurement and verification approaches as Option A, Option B, Option C, and Option D. The F.E.M.P. guidelines are based on the International Performance Measurement and Verification Protocol (I.P.M.V.P.) and was written to be fully consistent with it. It is intended to be used by Federal procurement teams consisting of contracting and technical specialists. The focus of F.E.M.P. guidelines is on choosing the M&V option and method most appropriate for specific projects.

"Financing Document" refers to that document executed between CUSTOMER and a third-party financing entity providing for payments from CUSTOMER third-party financing entity.

"Final Project Acceptance" refers to the CUSTOMER acceptance of the installation of the ECMs as described in Attachment A.

"First Guarantee Year" is defined as the period beginning on the first (1st) day of the month following the date of Final Retrofit Acceptance of the Work installed and ending on the day prior to the first (1st) anniversary thereof.

"Guarantee Period" is defined as the period beginning on the first (1st) day of the First Guarantee Year and ending on the last day of the final Guarantee Year.

"Guarantee Year" is defined as the First Guarantee Year and each of the successive twelve (12) month periods commencing on the anniversary of the commencement of the First Guarantee Year throughout the Term of this Agreement.

"Guaranteed Savings" is defined as the amount of avoided Energy and Operational Costs necessary to pay for the cost of the Work incurred by CUSTOMER in each Guarantee Year (as identified in Section 3.1 hereof).

"I.P.M.V.P." International Performance Measurement and Verification Protocol (July 1997, or later version) provides an overview of current best practice techniques available for measurement and verification of performance contracts. This document is the basis for the F.E.M.P. protocol and is fully consistent with it. The techniques are classified as Option A, Option B, Option C, and Option D.

"Measurement and Verification Plan" (M&V Plan) is defined as the plan providing details on how the Guarantee Savings will be verified.

"Operational Costs" shall include the cost of operating and maintaining the facilities, such as, but not limited to, the cost of inside and outside labor to repair and maintain Covered Systems and Equipment, the cost of custodial supplies, the cost of replacement parts, the cost of deferred maintenance, the cost of lamp and ballast disposal, and the cost of new capital equipment.

"Option A" is a verification approach that is designed for projects in which the potential to perform needs to be verified, but the actual performance can be stipulated based on the results of the "potential to perform and generate savings" verification and engineering calculations. Option A involves procedures for verifying that:

- Baseline conditions have been properly defined; and
- The equipment and/or systems that were contracted to be installed have been installed; and
- The installed equipment components or systems meet the specifications of the contract in terms of quantity, quality, and rating; and
- The installed equipment is operating and performing in accordance with the specifications in the contract and meeting all functional tests; and
- The installed equipment components or systems *continue, during the term of the contract*, to meet the specifications of the contract in terms of quantity, quality and rating, and operation and functional performance.

"Option B" is for projects in which the potential to perform and generate Savings needs to be verified; and actual performance during the term of the contract needs to be measured (verified). Option B involves procedures for verifying the same items as Option A plus verifying actual achieved energy savings during the term of the contract. Performance verification techniques involve engineering calculations with metering and monitoring.

"Option C" is also for projects in which the potential to perform needs to be verified and actual performance during the term of the contract needs to be verified. Option C involves procedures for verifying the same items as Option A plus verifying actual achieved energy savings during the term of the contract. Performance verification techniques involve utility whole building meter analysis and/or computer simulation calibrated with utility billing data.

"Option D" is a verification technique where calibrated simulations of the baseline energy use and/or calibrated simulations of the post-installation energy consumption are used to measure Savings for the Energy Conservation Measures. Option D can involve measurements of energy use both before and after the Retrofit for specific equipment or energy end use as needed to calibrate the simulation program. Periodic inspections of the equipment may also be warranted. Energy consumption is calculated by developing calibrated hourly simulation models of whole-building energy use, or equipment sub-systems in the baseline mode and in the post-installation mode and comparing the simulated annual differences for either an average year or for conditions that correspond to the specific year during either the baseline or post-installation period.

"Retrofit" is the work provided by VEREGY as defined by the "ECMs".

"Savings" is defined as avoided, defrayed, or reallocated costs.

"Term" shall have the meaning as defined in Section 2 hereof.

"Total Guarantee Year Savings" is defined as the summation of avoided Energy and Operational Costs realized by facilities in each Guarantee Year as a result of the Retrofit provided by VEREGY as well as Excess Savings, if any, carried forward from previous years.

2. TERM AND TERMINATION

2.1 Guarantee Term. The Term of this Guarantee Period shall commence on the first (1st) day of the month following the date of Final Project Acceptance of the Work installed pursuant to this agreement and shall terminate at the end of the Guarantee Period unless terminated earlier as provided for herein. The Term of this Guarantee Period is defined in Section 1 of Attachment E.

2.2 Guarantee Termination. Should this Agreement be terminated in whole or in part for any reason prior to the end of the Term, the Guaranteed Savings for the Guarantee Year in which such termination becomes effective shall be prorated as of the effective date of such termination, with a reasonable adjustment for seasonal fluctuations in Energy and Operational Costs, and the Guaranteed Savings for all subsequent Guarantee Years shall be null and void.

3. SAVINGS GUARANTEE

3.1 Guaranteed Savings. VEREGY guarantees to CUSTOMER that the identified Facilities will realize the total energy and operational cost avoidance through the combined value of all ECMs over the Term of the contract as defined in Section 1 of Attachment E. In no event shall the savings guarantee provided herein exceed the total installation, maintenance, and financing costs for the Work under this Agreement. Notwithstanding any other provision of this Agreement required savings reconciliation or verification, the Total Guarantee Year Savings in each Guarantee Year are stipulated and agreed to by both Parties to this Agreement to equal the Energy Costs and Operational Cost Avoidance amounts set forth in Attachment E (Schedule of Savings).

3.1.1 Additional Savings. Additional energy and/or operational cost avoidance that can be demonstrated as a result of VEREGY's efforts that result in no additional costs to CUSTOMER beyond the costs identified in this Agreement will be included in the guarantee savings reconciliation report for the applicable Guarantee Years(s).

3.1.2 Savings Prior to Final Retrofit Acceptance. All energy and operational cost avoidance realized by CUSTOMER that result from activities undertaken by VEREGY prior to Final Project Acceptance, including any utility rebates or other incentives earned as a direct result of the installed Energy Conservation Measures provided by VEREGY, will be applied toward the Guaranteed Savings for the First Guarantee Year.

3.1.3 Cumulation of Savings. The Guaranteed Savings in each Guarantee Year are considered satisfied if the Total Guarantee Year Savings for such Guarantee Year equals or exceeds the Retrofit and Support Costs for such Guarantee Year or the amount identified in Section 1 of Attachment E hereto.

3.1.4 OMITTED

3.1.5 Savings Shortfalls. In the event that the Total Guarantee Year Savings in any Guarantee Year is less than the Guaranteed Savings required for that Guarantee Year, after giving credit for any Excess Savings carried forward from previous Guarantee Years pursuant to Section 3.1.4. VEREGY shall, upon receipt of written demand from CUSTOMER, compensate CUSTOMER the amount of any such shortfall, limited by the value of the guarantee, within thirty (30) days. Resulting compensation shall be VEREGY's sole liability for any short fall in the Guaranteed Savings.

3.2 Savings Reconciliation Documentation. VEREGY will provide CUSTOMER with a guaranteed savings reconciliation report after the first Guarantee Year. CUSTOMER will assist VEREGY in generating the savings reconciliation report by providing VEREGY with copies of all bills pertaining to Energy Costs within two (2) weeks following the CUSTOMER's receipt thereof, together with access to relevant records relating to such Energy Costs. CUSTOMER will also assist VEREGY by permitting access to any maintenance records, drawings, or other data deemed necessary by VEREGY to generate the said report. Data and calculations utilized by VEREGY in the preparation of its guarantee cost savings reconciliation report will be made available to CUSTOMER along with such explanations and clarifications as CUSTOMER may reasonably request.

3.2.1 Acceptance of Guarantee Reconciliation. At the end of each Guarantee Year the CUSTOMER will have forty-five (45) days to review the guaranteed savings reconciliation report and provide written notice to VEREGY of non-acceptance of the Guarantee Savings for that Guarantee Year. Failure to provide written notice within forty-five (45) days of the receipt of the guaranteed savings reconciliation report will deem it accepted by CUSTOMER..

3.2.2 Guarantee Savings Reconciliation. Guarantee Savings will be determined in accordance with the methodology(s), operating parameters, formulas, and constants as described below and/or defined in Attachment E and/or additional methodologies defined by VEREGY that may be negotiated with CUSTOMER at any time.

For reconciliation of Guarantee Savings employing the method of utility bill analysis consistent with F.E.M.P. Option C.

Energy usage for the Facilities for such Guarantee Year will be summarized and compared with the adjusted Baseline Period energy usage for the Facilities through the use of energy accounting software. The difference between the adjusted Baseline

Period energy usage and the Guarantee Year energy usage will be multiplied by the applicable energy rate as defined in Attachment E, to calculate the Energy Cost avoidance. Energy Cost avoidance may also include, but are not limited to, Savings from demand charges, power factor correction, taxes, ratchet charges, rate changes and other utility tariff charges that are reduced as a result of the VEREGY involvement. A Baseline Period will be specified (Section 1 of Attachment E) for the purpose of utility bill analysis.

AND/OR for those energy audits employing the method consistent with I.P.M.V.P. and/or F.E.M.P. Options A and/or B:

For each ECM, VEREGY will employ an M&V Plan which may be comprised of any or all of the following elements:

1. Pre-retrofit model of energy consumption or demand
2. Post-retrofit measured energy consumption
3. Post-retrofit measured demand and time-of-use
4. Post-retrofit energy and demand charges
5. Sampling plan
6. Stipulated Values

The value of the energy savings will be derived from the measured data and engineering formulae included herein, and the applicable energy charges during each Guarantee Year. In some cases, energy usage and/or demand will be calculated from measured variables that directly relate to energy consumption, demand, or cost, such as, but not limited to, measured flow, temperature, current, voltage, enthalpy, or pressure.

AND/OR for those energy audits employing the method consistent with I.P.M.V.P. and/or F.E.M.P. Option D:

For each Energy Conservation measure, VEREGY will employ an M&V Plan which may be comprised of any or all of the following elements:

1. Pre-retrofit model of energy consumption or demand
2. Post-retrofit model of energy consumption or demand
3. Post-retrofit measured energy consumption
4. Post-retrofit measured demand and time-of-use
5. Post-retrofit energy and demand charges
6. Sampling Plan
7. Stipulated values

The value of the energy savings will be derived from a calibrated simulation of either the whole building or of sub-systems in the building to determine the difference in the performance of the specific equipment being replaced. This method may entail as needed one-time measurements of the performance of the energy consuming systems in the building in order to calibrate the simulation model. Energy usage for the Facilities for such Guarantee Year will be derived through the use of simulation programs.

3.3 Operational Cost Avoidance. The agreed-upon Operational Cost Avoidance as described in Attachment E (Schedule of Savings) will be deemed realized and will begin to accrue on the date of the completion and acceptance of each Retrofit improvement. These Savings are representative of information provided by the CUSTOMER consisting of either whole or partial budgeted operational costs and as such, it is hereby understood and agreed that the CUSTOMER is wholly responsible for assuring that these budgeted Operational Costs are accurate and achievable.

3.4 Base Year Adjustments. Baseline Period shall be adjusted to reflect: changes in occupied square footage; changes in energy-consuming equipment; changes in the Facilities; changes in Energy and Operational Cost Avoidance Guarantee Practices adversely affecting energy consumption and/or demonstrated operational changes; changes in weather between the Baseline Period and the Guarantee Year; and documented or otherwise conclusively established metering errors for the Baseline Period and/or any Guarantee Year adversely affecting energy usage measurement.

3.4.1 Facility Operational Changes. Except in the case of emergencies CUSTOMER agrees it will not, without the consent of an Authorized Representative of VEREGY: make any significant deviations from the applicable Energy and Operational Cost Avoidance Guarantee Practices; put any system or item of equipment in a permanent "on" position, if the same would constitute

a deviation from the applicable Energy and Operational Cost Avoidance Guarantee Practices; or assume manual control of any energy management system or item of equipment, if the same would constitute a deviation from the applicable Energy and Operational Cost Avoidance Guarantee Practices.

3.4.2 Hours and Practices. To achieve these energy savings, VEREGY and CUSTOMER agree upon the operating practices listed in Attachment E.

3.4.3 Activities and Events Adversely Impacting Savings. CUSTOMER shall promptly notify VEREGY of any activities known to CUSTOMER which adversely impact: VEREGY's ability to realize the Guaranteed Savings and VEREGY shall be entitled to reduce its Guaranteed Savings by the amount of any such adverse impact to the extent that such adverse impact is beyond VEREGY's reasonable control.

3.5 Guarantee Adjustment. VEREGY's Guaranteed Savings obligations under this Agreement are contingent upon: (1) CUSTOMER following the Energy and Operational Cost Avoidance Guarantee Practices set forth herein and in Attachment E; (2) no alterations or additions being made by CUSTOMER to any of the Covered systems and Equipment without prior notice to an agreement by VEREGY; (3) CUSTOMER sending all current utility bills to VEREGY within two (2) weeks after receipt by CUSTOMER, if CUSTOMER fails to provide current utility bills for a period of time in excess of six (6) months VEREGY may, at its sole discretion, deem the Guarantee Savings obligation met during that period and any successive periods, and (4) VEREGY's ability to render services not being impaired by circumstances beyond its control. To the extent CUSTOMER defaults in or fails to perform fully any of its obligations under this Agreement, VEREGY may, in its sole discretion, adjust its Guaranteed Savings obligation; provided, however, that no adjustment hereunder shall be effective unless VEREGY has first provided CUSTOMER with written notice of CUSTOMER's default(s) or failure(s) to perform and CUSTOMER has failed to cure its default(s) to perform within thirty (30) days after the date of such notice.

The bond provided for the construction of the project only covers the performance of materials and workmanship for the completion of said construction work, not the energy guarantee.

ATTACHMENT E

SCHEDULE OF SAVINGS

Savings Summary

The total Avoided Energy, Operational and Related Capital Expenditure Costs over the Term of the Agreement are \$2,560,533 as defined by the following:

- Annual Avoided Energy Costs are not less than \$81,691 as listed in 3.
- Annual Avoided Operational Costs (IRA payment) are not less than \$956,360 as listed in 3.
- Annual Avoided Related Capital Expenditure Costs are \$0 as listed in 3.

GUARANTEED ENERGY SAVINGS (\$)			OPERATIONAL SAVINGS (\$)	
YEAR			YEAR	
1	\$81,691		1	\$0
2	\$83,660		2	\$0
3	\$86,944		3	\$956,360
4	\$90,357		4	\$0
5	\$93,904		5	\$0
6	\$97,590		6	\$0
7	\$101,420		7	\$0
8	\$105,401		8	\$0
9	\$109,538		9	\$0
10	\$113,838		10	\$0
11	\$118,307		11	\$0
12	\$122,950		12	\$0
13	\$127,776		13	\$0
14	\$132,792		14	\$0
15	\$138,004		15	\$0
TOTAL SAVINGS	\$1,604,173		TOTAL SAVINGS	\$956,360

The Term of this Agreement is for 15 years from the first (1st) day of the month following the date of Final Project Acceptance of the Work.

2. Energy Rates and Costs

2.1 Energy Rates. Actual Energy Rates are determined by reviewing current Energy Costs per unit of energy. VEREGY may escalate rates at an average of 4.5% annually or use the actual rates, whichever is greater, to determine total Avoided Energy Costs over the Term of this Agreement. The rates used for this Agreement are detailed in the table below.

Energy Rates

Property Name	Electric
	Solar Rate (\$/kWh)
FOUNTAIN HILLS TOWN HALL	\$0.080
FOUNTAIN HILLS COMMUNITY CENTER	\$0.084

2.2 Baseline Period Energy Use and Costs. The Baseline Period is defined as 2/1/25 to 2/1/26. The Baseline Period Energy Use and Costs for the Facilities are:

#	Site Name	Total Sq. Ft.	\$ /SF	Electricity				Grand Totals	EUI
				Site Usage (kWh)	Max Demand (kW)	Average Demand (kW)	Total Cost (\$)	\$	kBTU/ft ²
1	FOUNTAIN HILLS TOWN HALL	31,706	\$ 1.68	435,479	180	87	\$ 53,247	\$ 53,247	46.86
2	FOUNTAIN HILLS COMMUNITY CENTER	41,700	\$ 2.88	977,083	372	188	\$ 119,982	\$ 119,982	79.95
Totals		102,695	\$ 1.96	1,622,308	639	323	\$ 201,080	\$ 201,080	53.90

Only electricity costs were included in the analysis above.

3. Guaranteed Savings

VEREGY guarantees to CUSTOMER that the identified Facilities will realize the total Guaranteed Savings through the combined value of all ECMs over the Term of the Agreement. The total Guaranteed Savings in each Guarantee Year is verified as specified in this Agreement, and this verification method is agreed to by VEREGY and CUSTOMER. Avoided Operational and Future Costs as given below are calculated values based on industry standard information and information provided by CUSTOMER and are agreed to values. No verification of Operational and Future Cost Savings is performed.

Energy Conservation Measures Savings Guarantee Table

Facility	ECM #	ECM Description	Energy Savings (Guaranteed)				Avoided Energy Costs \$					Guarantee	
			kW	kWh	Gas	Water	kW \$	kWh \$	Gas \$	Water \$	Total Projected Energy Costs Savings \$	% Guarantee	Total Guaranteed Energy Costs Savings \$
Town Hall & Community Center	1	PV Solar		992,266							\$85,991	95	\$81,691
Total				992,266							\$85,991	95	\$81,691

VEREGY and CUSTOMER agree that the total Avoided Energy Costs for each ECM over the term of the Agreement will be based on an escalation factor for the costs of utilities as given in 2.1.

Avoided Operational Cost Savings. Operational Savings are based on the concepts given in the table below. The operational cost savings identified below are deemed satisfied upon Agreement execution. Avoided future cost savings are determined by the cost to implement this project over the term of the project.

Operational Savings Methodology Table

Facility	ECM #	ECM Description	Operational Savings Concept	Operational Savings \$
Town Hall & Community Center	1	PV Solar	IRA Payment	\$956,360
Total				\$956,360

Related Capital Expenditures. Related capital expenditures have been calculated as follows, subject to such amendments and adjustments as are made upon the execution of GUARANTEED ENERGY SERVICES AGREEMENT:

N/A

4. **Reporting.** VEREGY will provide CUSTOMER with a Guaranteed Savings Reconciliation Report(s) according to the schedule below. CUSTOMER will assist VEREGY in generating the savings reconciliation report by providing VEREGY with all information requested as identified in Section 3.2 of Attachment D. Data and calculations utilized by VEREGY in the preparation of its Guaranteed Savings Reconciliation Report will be made available to CUSTOMER along with such explanations and clarifications as CUSTOMER may reasonably request.

Guaranteed Savings Reconciliation Report Schedule

	Report Delivered	Savings Represented
Report 1	90 days following end of Guarantee Year	Year 1 Savings
Subsequent Reporting Years	90 days following end of Guarantee Year	Subsequent Year Savings

The fees associated with the Guaranteed Savings Reconciliation Report are given in Attachment C.

5. **Savings Measurement & Verification Plan**

VEREGY will verify the savings using the methodologies given in the table below. Calculation” means the savings have been calculated and agreed to by CUSTOMER and VEREGY. “Measurement” requires measurements to determine the actual retrofit performance. In the “Measurement” cases, the measured parameters, time of measurement and quantity of equipment to be measured are identified. The actual operation of the Facility is the responsibility of CUSTOMER. This includes properly maintaining the equipment, the future hours of operation based on a change in mission, or capacity and variations in weather or unit energy costs.

After review of the measurement and verification protocol options, CUSTOMER and VEREGY have agreed that measurements noted in this attachment meet CUSTOMER’S needs for verification of Energy Savings.

Measurement and Verification Methodology for Energy Conservation Measures

Facility	ECM #	ECM Description	IPMVP Option	Measurement and Verification Procedures		
				Method	Measured Parameter	Measurement Interval
Town Hall & Community Center	1	PV Solar	B	Measurement	Electricity Production in kWh	On-going Throughout Guarantee

The following describes the Measurement and Verification procedures, formulas, and estimated values which may be used in the calculation of the Energy Savings. 95% of calculated savings that are guaranteed are given in the Energy Conservation Measures Savings Guarantee Table.

Solar savings are determined by using the anticipated kWh production based on a Helioscope & Energy Toolbase model. Veregy does include a 2% for the first year and a 0.55% solar module degradation per subsequent year as stated by the manufacturer. Dollar savings are calculated by determining the current kWh rate paid in the last baseline period and multiplying by the kWh generated.

Solar Production = kWh * 0.002 to account for module degradation & kWh * 0.0055 to account for module degradation

M&V Plan

Guaranteed Energy Production

Commencing on the Commercial Operation Date of the System, Veregy warrants that the System will have a weather-adjusted annual electricity output identified in the Production Summary table below. Weather-adjustment means the irradiance measured by the System’s weather stations relative to the predicted annual irradiance of a system by the US Department of Energy’s NREL

Version 1 PV Watts. Specifically, GHI and POA, which are used to measure irradiance, have baseline values that can be found in the table below. System production may also be adjusted based on disruption to system beyond Veregy control.

Town Hall

Month	GHI (kWh/m ²)	POA (kWh/m ²)
January	108.2	127.0
February	118.1	133.3
March	166.4	178.2
April	198.5	205.3
May	244.4	245.9
June	254.2	252.2
July	226.3	226.4
August	205.3	209.6
September	178.6	190.3
October	142.4	157.7
November	114.0	132.8
December	101.2	121.3

Community Center

Month	GHI (kWh/m ²)	POA (kWh/m ²)
January	108.2	127.0
February	118.1	133.3
March	166.4	178.2
April	198.5	205.3
May	244.4	245.9
June	254.2	252.2
July	226.3	226.4
August	205.3	209.6
September	178.6	190.3
October	142.4	157.7
November	114.0	132.8
December	101.2	121.3

Overview of Measurement & Verification Plan

The savings for this ECM are verified annually per the M&V option as identified above.

Savings Verification Methodology

Solar savings are determined by using the anticipated kWh production based on a Helioscope & Energy Toolbase model. Veregy does include a 2% for the first year and a 0.55% solar module degradation per subsequent year as stated by the manufacturer. Dollar savings are calculated by determining the current solar kWh rate paid in the last baseline period and multiplying by the kWh generated.

Baseline M&V Activities

Baseline analysis and site observations were used for establishing the baseline energy use. Software modelling was performed to calculate solar generation.

Post-Installation Measurement & Verification Activities

Submetered kWh data will be collected to verify solar generation prior to installation and integration.

Any changes to building schedules, occupancy hours, and solar system setup are the responsibility of the Customer and may result in a baseline adjustment for the calculation of verified savings. Veregy will note these changes when found and inform the Customer.

Energy savings shown in the annual report will be based on the results documented in the post-installation report. Any modification of the equipment, or changes from its intended function are the responsibility of the Customer.

Production Summary

Year	Production
1	992,266
2	972,421
3	967,073
4	961,754
5	956,464
6	951,204
7	945,972
8	940,769
9	935,595
10	930,449
11	925,332
12	920,242
13	915,181
14	910,148
15	905,142

Ongoing Measurement and Verification Services:

Monitoring of PV Solar Production: Veregy will provide monthly energy usage monitoring and annual reporting for the term of this contract. Reporting will begin a year after the completion of construction. The CUSTOMER shall pay VEREGY for annual Measurement and Verification services, payable at the time reporting is delivered as defined in ATTACHMENT C.

ATTACHMENT F

FINAL DELIVERY AND ACCEPTANCE CERTIFICATE

Project Name _____ Town of Fountain Hills Energy Services Performance Contract Solar _____

Agreement Effective Date: _____ June 16, 2026 _____

Scope-of-Work (SOW) Item/Energy Conservation Measure (ECM): _____

To: VEREGY

Reference is made to the above listed Agreement between the undersigned and VEREGY and to the Scope of Work as defined in Attachment A herein. In connection therewith, we confirm to you the following:

1. The Scope of Work (SOW) Item/ Energy Conservation Measure (ECM) referenced above and also listed in Attachment A of the Agreement has been demonstrated to the satisfaction of the Owner's Representative as being substantially complete, including all punch list items generated during the Project Acceptance Procedure.
2. All of the Work has been delivered to and received by the undersigned and that said Work has been examined and /or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Work has been accepted by the undersigned and complies with all terms of the Agreement. Consequently, you are hereby authorized to invoice for the Final Payment, as defined in Attachment C, The Payment Schedule.

Owner Name: _____

By: _____

(Authorized Signature)

(Printed Name and Title)

(Date)



TOWN OF FOUNTAIN HILLS ENERGY SAVINGS PROJECT

June 16, 2026



FOUNTAIN
HILLS

VEREGY: SIMPLIFYING AND ACCELERATING YOUR ENERGY TRANSITION



Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

Agenda

- 1 Why this Project
- 2 Why Veregy
- 3 Why Now
- 4 Questions

Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

Why this Project



- Reduce and stabilize utility cost, improve budget predictability, and leverage federal tax incentives
- This is fundamentally a budget and infrastructure item, not just a solar item
- Provide covered parking for Fountain Hills residents and visitors at Town Hall, Community Center, and Public Library
- Council's action tonight is about whether to advance a project that lowers long-term operating costs while using currently available federal incentives



Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

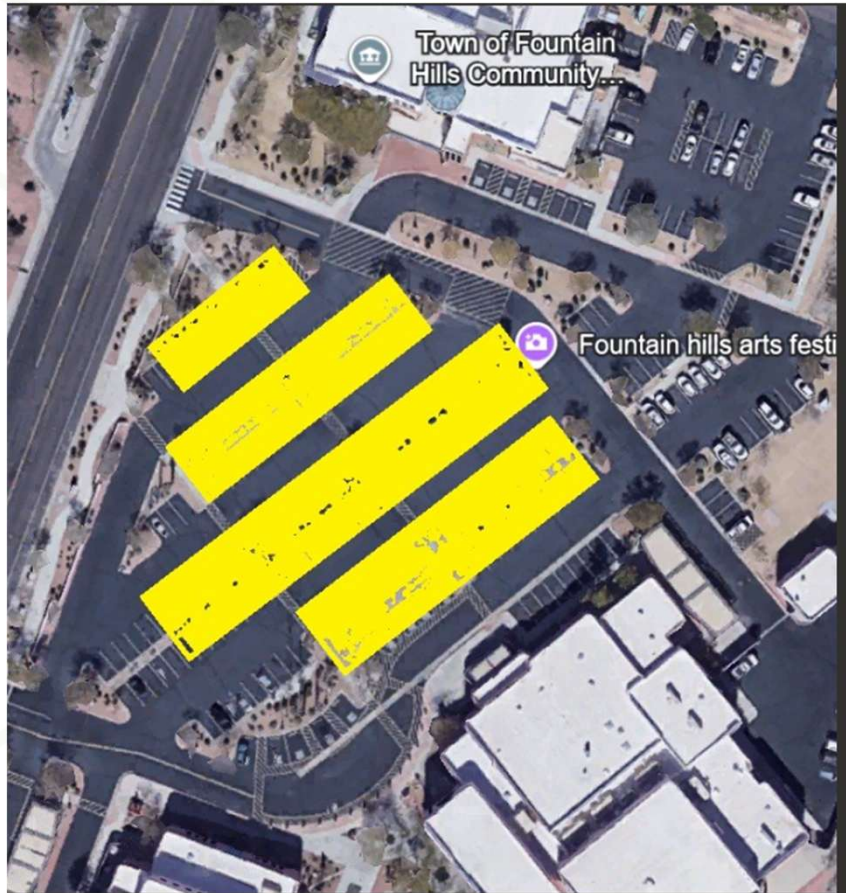
Path Traveled



Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

Project Overview



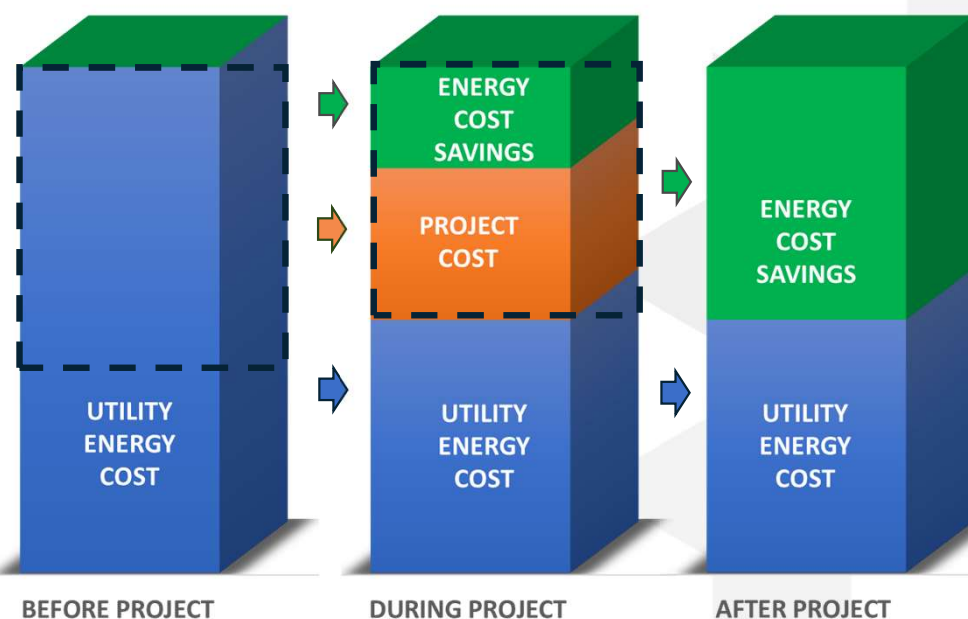
- 597 kW-DC solar opportunity
- 128 covered parking spaces with Solar and under canopy lighting for Town Hall, Community Center, and Library
- (2) interconnections, one for the Town Hall, one for the community Center
- Each interconnection has (2) sets of arrays
- Town hall interconnection is approx. 198 kW in size
- Community Center connection is approx. 399 kW in size
- Total Energy Offset : 64% - approx.
- **\$82K - 128,242 Years 1-14**
- **\$138,507 - \$246,768 Yr. 15-30**

Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

Energy Savings

Project	Financial
Solar Project	\$ 2,390,900
Potential ITC	\$956,384
Electric Utility Savings	\$81,989 – \$246,768
Lifetime Savings 35 years	\$ 5,263,296
ROI	15 Years

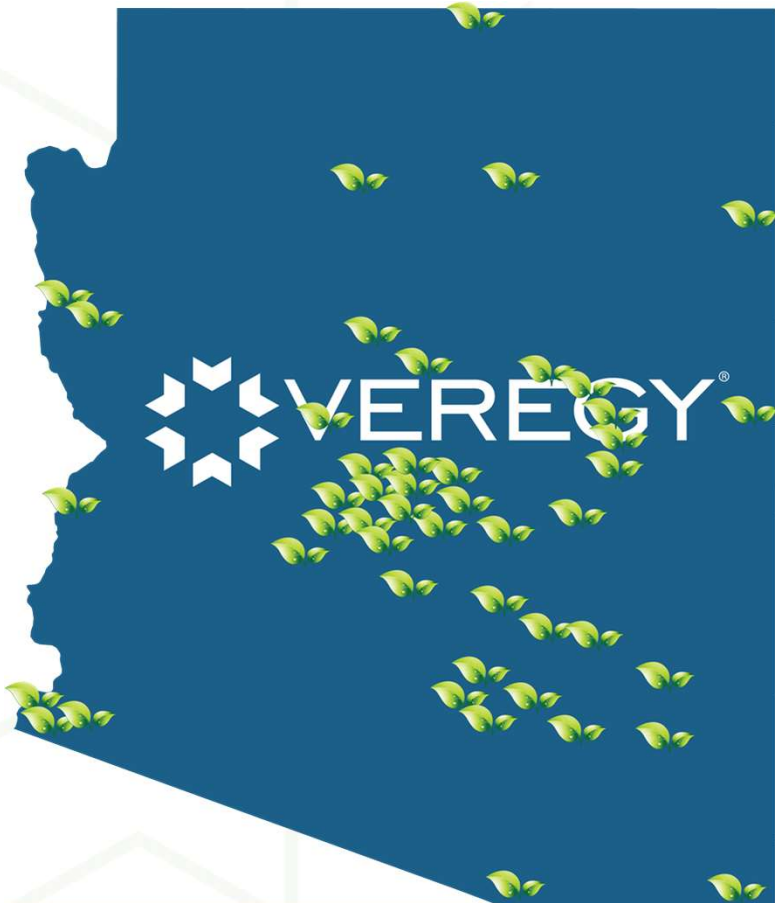


Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's website content is for informational purposes only; website visitors should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

Why Veregy



We are an Arizona Company!



#1 *Arizona Home Grown - Founded Here!*

#1 *Largest Energy Company in Arizona*

\$450 *Million in Energy Savings Achieved*

500+ *Individual Public Building Projects*

34 *Year History in Arizona*

273 *In-house Professionals with Engineering, Mechanical, Electrical, Plumbing, Controls and Solar Expertise.*

90% *Work Done In-House. We Turn the wrench!*

Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

Veregy Experience

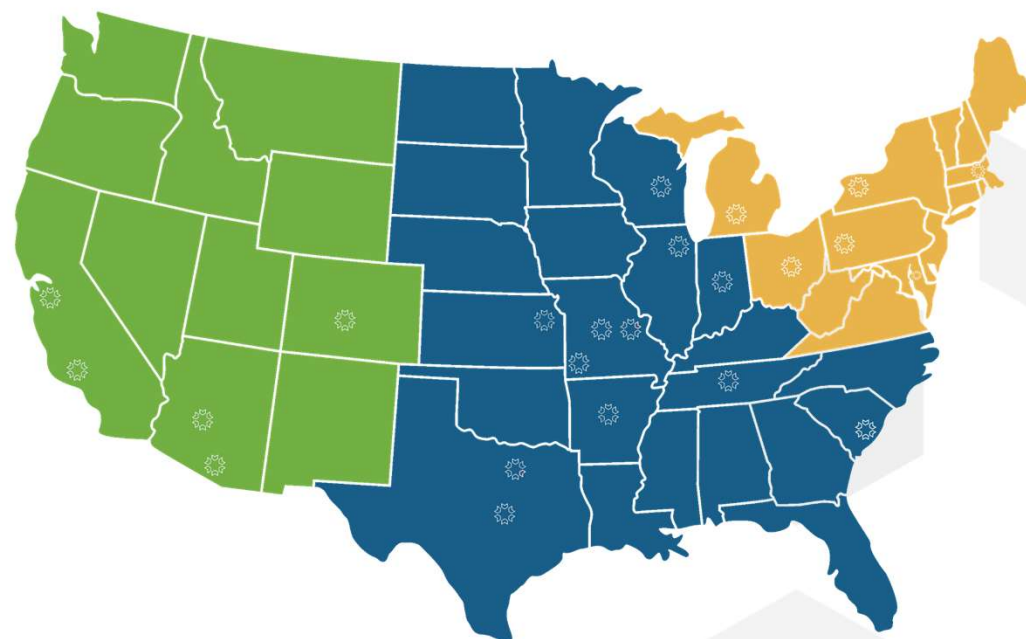


Town of Fountain Hills:

- Golden Eagle Park
- Desert Vista Skate Park and Mini-Pitch
- Service Agreement (2022-current)
- 2022 Parks and Recreation Social Event Co-Sponsor at Desert Vista Park

Municipal last 5 years in AZ

- City of Coolidge
- City of Casa Grande
- City of Eloy
- City of Phoenix
- Pima County
- Arizona Department of Emergency Affairs



1.8 GW

Installed solar by Arizona
in 2025

19.5 MW

Solar installed in AZ by
Veregy since 2022

\$27M

Expected IRA Rebates
in Arizona

Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

What is Performance Based Contracting?



Design-build general contractor combined with a diagnostic/engineering front end and a guaranteed-savings back end.

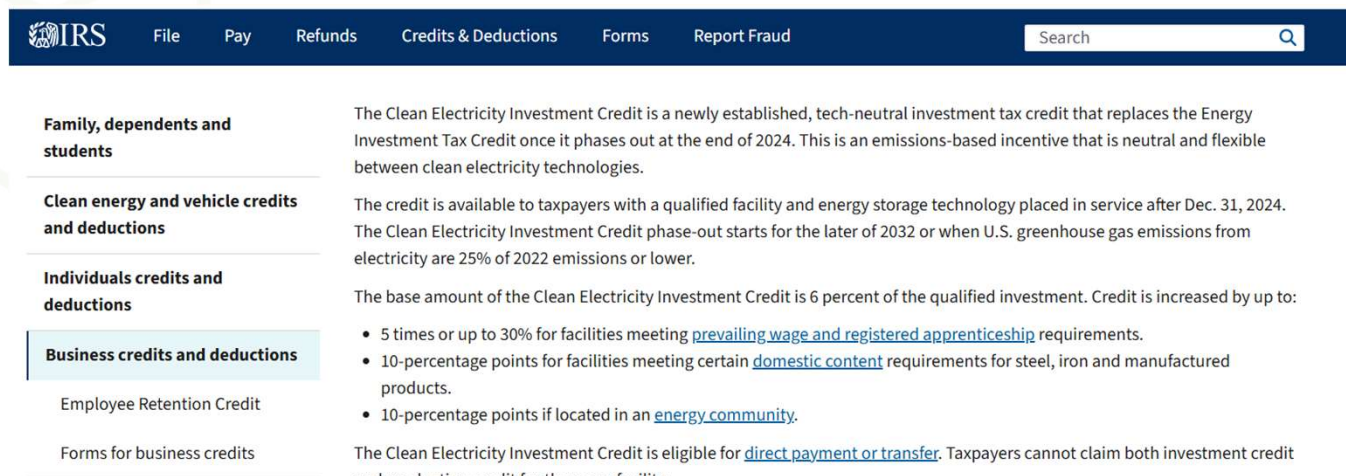
- Comprehensive energy solutions
- Focus on improving energy efficiency and reducing energy costs
- Energy Audits, Retrofits, Renewable energy solutions
- **Guaranteed Energy Savings!**

*2024 Arizona Revised Statutes
Title 34 - Public Buildings and Improvements
§ 34-455 - Performance contracting*

Veregy, LLC. is not a legal, tax, investment, or financial advisor, nor does Veregy directly finance any projects. Veregy, LLC's content is for informational purposes only; any content readers should not construe any such information or other material as legal, tax, investment, or financial advice. Regardless of anything to the contrary, nothing available on or through Veregy LLCs business practices should be understood as a recommendation that an individual or organization should not consult with a legal, tax, investment, or financial professional to address their particular circumstances.

VEREGY: Overview

Why Now - Investment Tax Credit



The screenshot shows the IRS website's navigation bar with links for File, Pay, Refunds, Credits & Deductions, Forms, and Report Fraud. A search bar is also present. The left sidebar lists categories: Family, dependents and students; Clean energy and vehicle credits and deductions; Individuals credits and deductions; and Business credits and deductions (highlighted). Under Business credits and deductions, there are links for Employee Retention Credit and Forms for business credits.

The Clean Electricity Investment Credit is a newly established, tech-neutral investment tax credit that replaces the Energy Investment Tax Credit once it phases out at the end of 2024. This is an emissions-based incentive that is neutral and flexible between clean electricity technologies.

The credit is available to taxpayers with a qualified facility and energy storage technology placed in service after Dec. 31, 2024. The Clean Electricity Investment Credit phase-out starts for the later of 2032 or when U.S. greenhouse gas emissions from electricity are 25% of 2022 emissions or lower.

The base amount of the Clean Electricity Investment Credit is 6 percent of the qualified investment. Credit is increased by up to:

- 5 times or up to 30% for facilities meeting [prevailing wage and registered apprenticeship](#) requirements.
- 10-percentage points for facilities meeting certain [domestic content](#) requirements for steel, iron and manufactured products.
- 10-percentage points if located in an [energy community](#).

The Clean Electricity Investment Credit is eligible for [direct payment or transfer](#). Taxpayers cannot claim both investment credit and production credit for the same facility.

Who can claim the credit

Taxpayers with a qualified facility and energy storage technology placed in service after Dec. 31, 2024 may claim the credit.

[Elective payment and transfer](#) of credits may be available to certain applicable entities to include tax-exempt organizations and government entities. A [pre-filing registration](#) is required for elective payments and transfers.

How to claim the credit

Taxpayers will need to complete [Form 3468, Investment Credit](#) and file it with the taxpayer's annual return submitted to the IRS for the first taxable year in which the taxpayer reports a clean energy investment credit.



Safe Harbor Rules:

- **Contract Signed by July 4, 2026**
- **FEOC Compliant (Made in America)**
- **Materials on-site by July 4, 2026**
- **Project must incur 5% cost by July 4, 2026**
- **Prevailing Wages must be applied**

Questions



TOWN OF FOUNTAIN HILLS

HISTORICAL ACTUALS COMPARISON REPORT

glactrpt

13 OF 2026

	FY2023	FY2024	FY2025
	ACTUALS	ACTUALS	ACTUALS
FOUR PEAKS PARK	\$ 15,373	\$ 18,670	\$ 16,704
AVENUE LINEAR PARK	13,851	16,176	16,544
DESERT VISTA PARK	9,915	10,710	12,393
LIBRARY/MUSEUM BUILDING	45,220	53,082	54,109
TOWN HALL/COMMUNITY CENTER	144,704	159,574	144,383
FIRE DEPARTMENTS	0	13,549	27,447
FOUNTAIN PARK - THE FOUNTAIN	116,915	135,334	139,046
FOUNTAIN PARK - OTHER THAN THE FOUNTAIN	7,795	10,782	10,778
GOLDEN EAGLE PARK	30,593	22,493	21,992
POCKET PARKS (PANORAMA)	0	0	0
ADERO TRAILHEAD	542	573	621
ALL STREETS RELATED	30,618	35,226	37,758
TOTAL ELECTRICITY COSTS FOR TOWN:	<u>415,525</u>	<u>476,168</u>	<u>481,776</u>



ENERGY TAX SAVERS®
R&D TAX SAVERS®

Town of Fountain Hills

16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

June 9, 2026

Dear Paul Solding,

Based on the review, you have a valid Certification Safe Harbor letter provided to you by Veregy following IRS Notice 2026-15 for the solar modules and the solar cells. As this is considered a ground mounted system, IRS Notice 2025-08's Safe Harbor Tables state that a non-FEOC module with non-FEOC cells is 53.2% non-FEOC. The requirement for 2026 is 40% non-FEOC, and therefore the Town has what it needs to pass the Foreign Entity of Concern Material Assistance Requirement.

Thank you for your attention to this matter. If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

Charles R. Goulding
President



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Public Works
Prepared by: Justin Weldy, Public Works Director
Staff Contact Information: Phone: 480-816-5133
Email: jweldy@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Regarding a budget authority transfer for additional design costs for the Downtown Streetscape Capital Improvement Project

Staff Summary (background)

Recommended Action

Staff recommends that the Town Council authorize the use of \$133,605 from the previously approved FY 2027 Downtown Streetscape Improvements construction budget to complete additional drainage design services for the Parkview Avenue portion of the project.

Summary

The Downtown Streetscape Improvements Project is currently in the design phase and includes planned pedestrian safety, accessibility, lighting, landscaping, and streetscape improvements along Verde River Drive and Parkview Avenue.

During the 30 percent design review for Parkview Avenue, the project engineer identified drainage issues that were not known during the original grant application or concept development phase. The analysis determined that stormwater runoff could negatively affect the proposed improvements by trapping water within parking areas and restricting stormwater flows from areas west of La Montana Drive.

To address these issues, a new storm drain system must be designed along Parkview Avenue between La Montana Drive and Saguaro Boulevard. The additional drainage design services total \$133,605.

No new appropriation is being requested. Staff is requesting authorization to use a portion of the already-approved FY 2027 Downtown Streetscape Improvements construction budget so the design work can continue without interruption.

Background

In October 2024, Town Council approved staff's submission of an application to the Maricopa Association of Governments for Federal Fiscal Year 2025 Closeout Funds through the Design Assistance Program. The project, titled Downtown Sidewalk Gap Elimination and Lighting Improvements, was developed to evaluate and address missing sidewalk segments and insufficient pedestrian-scale lighting in the Downtown area, with a focus on the Verde River Drive and Parkview Avenue corridors.

The Town was successful in securing the grant award and received \$100,000 in federal funding.

To maintain project momentum while the design concept phase was underway, the Town released a Request for Qualifications on May 8, 2025, for final design services. One proposal was received, and Kimley-Horn and Associates was selected to complete the design.

The project scope includes:

- Construction of ADA-compliant sidewalks and curb ramps;
- Installation of pedestrian-scale street lighting;
- Trees and landscape buffers;
- Street furniture, including benches, waste receptacles, and bicycle racks;
- Pedestrian wayfinding signage; and
- Crosswalk enhancements.

Drainage Design Need

As part of the final design process, a drainage analysis was completed for the Parkview Avenue corridor. At the 30 percent design milestone, the analysis identified stormwater conditions that must be addressed before the Parkview Avenue improvements can advance. Specifically, the analysis found that stormwater runoff would negatively affect the proposed improvements by trapping water within parking areas and limiting stormwater flows originating west of La Montana Drive. To correct these conditions and ensure the long-term functionality of the streetscape improvements, a new storm drain system is needed along Parkview Avenue between La Montana Drive and Saguaro Boulevard.

This drainage infrastructure was not identified during the initial grant application or concept development phases. It was discovered through the more detailed engineering analysis completed as part of final design.

Project Schedule

The Verde River Drive design portion of the project remains on schedule for completion by June 30. Construction for Verde River Drive is currently included in the FY 2027 Budget in the amount of \$2,003,000.

The Parkview Avenue design will extend into FY 2027 due to the additional drainage design requirements. Authorizing the additional design services now will allow the design team to continue work without interruption and help avoid delays that could affect future construction timing and costs.

Financial Impact

The additional drainage design services total \$133,605. Staff is requesting authorization to use a portion of the approved FY 2027 Downtown Streetscape Improvements construction budget for this work.

These funds were originally planned for Verde River Drive construction. No additional budget appropriation is being requested at this time. Staff will seek bids for the next phase of Verde River Drive construction before requesting any additional budget authority.

Staff Recommendation

Staff recommends approval of the request to authorize \$133,605 in existing FY 2027 budget authority for additional drainage design services. Approval will allow the Town to complete the Parkview Avenue design, maintain project momentum, reduce the risk of schedule delays, and help minimize potential cost increases associated with delaying the work.

Related Ordinance, Policy or Guiding Principle

- Downtown Sidewalk Gap Elimination and Lighting Improvements Project
- FY 2027 Capital Improvement Program (CIP)
- Town Strategic Plan – Transportation and Infrastructure
- MAG Regional Transportation Improvement Program (TIP) and Design Assistance Program

- Council Goal of maintaining and improving pedestrian safety, accessibility, and multimodal connectivity within the Downtown area

Risk Analysis

If the requested funding authorization is not approved, completion of the Parkview Avenue drainage design will be delayed. This delay will impact the overall project schedule, postpone construction activities, and increase project costs due to inflation and changing market conditions. In addition, delaying the drainage design may require redesign or re-evaluation of completed project elements, resulting in inefficiencies and potential schedule impacts. Approval of this request allows staff to maintain project momentum, complete the necessary engineering analysis, and advance the project toward construction without interruption.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends that the Town Council authorize the use of \$133,605 from the approved FY 2027 Downtown Streetscape Improvements construction budget to complete additional design services associated with the Parkview Avenue drainage improvements.

Suggested Motion

MOVE TO APPROVE the transfer of \$133,605 budget authority from the FY 2027 Downtown Streetscape Improvements construction budget for additional drainage design services on Parkview Avenue and authorize staff to proceed with the work.

FISCAL IMPACT

Fiscal Impact: \$133,605

Budget Reference: FY 27 Budget

Funding Source: Capital Improvement Fund

ATTACHMENTS

None



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Community Services
Prepared by: Kevin Snipes, Community Services Director
Staff Contact Information: Phone: 480-816-5178
Email: ksnipes@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

DISCUSSION AND POSSIBLE DIRECTION: Relating to E-bikes and E-Moto regulations

Staff Summary (background)

The Town Council directed staff to evaluate potential regulations regarding electric bicycles (e-bikes), electric standup scooters, and electric motorcycles or similar high-powered electric vehicles operating within Town parks, pathways, sidewalks, trails, roadways, bike lanes, and other public areas. As the popularity of these devices continues to increase, residents have expressed concerns regarding safety, speed, conflicts with pedestrians, roadway behavior, and the use of high-powered electric motorcycles in public recreational areas.

Arizona law establishes a three-class e-bike system and generally grants e-bike riders the same rights and responsibilities as traditional bicyclists. A qualifying e-bike must have fully operable pedals and an electric motor of less than 750 watts. Class 1 e-bikes provide pedal assistance up to 20 mph, Class 2 e-bikes may be throttle-assisted up to 20 mph, and Class 3 e-bikes provide pedal assistance up to 28 mph. Arizona law also provides that qualifying e-bikes are not subject to title, registration, vehicle license tax, driver license, or vehicle insurance requirements.

For roadway use, e-bike riders are generally subject to the same rules applicable to bicyclists. This means e-bike operators must comply with applicable traffic laws, traffic-control devices, roadway direction of travel, right-of-way rules, lighting and equipment requirements, and safe riding practices. E-bikes may be operated on public roadways and in bicycle lanes where bicycles are permitted, subject to state law and any lawful local regulations adopted by the Town.

Arizona law allows Class 1 and Class 2 e-bikes on bicycle and multi-use paths unless prohibited by the local jurisdiction with authority over the path. Class 3 e-bikes are prohibited from bicycle or multi-use paths unless the path is within or adjacent to a highway or roadway, or unless the local authority specifically allows their operation. Local governments also have authority to regulate e-bike access and use on paths, trails, and other Town-controlled public property.

In addition to parks and trails, Council may consider whether local regulations should address e-bike use in other public areas, including sidewalks, pedestrian areas, plazas, parking lots, public facilities, and other Town-owned or Town-maintained spaces. These regulations could include restrictions based on location, speed, rider age, device type, or pedestrian safety considerations.

Staff reviewed regulations adopted by neighboring communities, including Phoenix, Scottsdale, Glendale, Mesa, and Gilbert. These communities utilize varying approaches ranging from adherence to state law to more comprehensive regulations that address rider age, permitted locations, equipment requirements, speed, rider behavior, sidewalk use, and enforcement mechanisms.

The presentation outlines several policy options for Council consideration, including:

- Following Arizona law without additional local regulations.
- Establishing separate rules for roadways, bike lanes, shared-use paths, sidewalks, parks, and natural-surface trails.
- Clarifying where Class 1, Class 2, and Class 3 e-bikes are permitted within Town-controlled public areas.
- Regulating or restricting e-bike use on sidewalks, pedestrian areas, public plazas, parking lots, and other high-conflict public spaces.
- Implementing minimum age requirements for e-bike operators, particularly for Class 3 e-bikes or other higher-speed devices.
- Combining age restrictions with location-based regulations.
- Establishing speed or “reasonable and prudent” operation standards in areas where pedestrians, children, pets, or other users are likely to be present.
- Prohibiting all e-bikes within Town parks, or alternatively allowing only certain classes of e-bikes in designated areas.
- Prohibiting electric motorcycles, electric dirt bikes, and similar high-powered devices from Town parks, sidewalks, shared-use paths, trails, and other non-roadway public areas.

Under all options, electric motorcycles and similar vehicles, including Sur-Rons, Talarias, and comparable electric dirt bikes, would continue to be treated differently from qualifying e-bikes if they do not meet the statutory definition of an electric bicycle. These devices may only operate on public roadways if they comply with applicable motor vehicle laws, including any required title, registration, equipment, insurance, and operator licensing requirements. They would not be permitted within parks, sidewalks, shared-use paths, or trails unless otherwise authorized by applicable law.

The purpose of this discussion is to provide Council with information regarding current state law, regional regulatory practices, and available policy options so that direction may be provided regarding future e-bike, e-scooter, and electric motorcycle regulations within the Town

Related Ordinance, Policy or Guiding Principle

N/A

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff are looking for direction for e-bike regulations.

Suggested Motion

N/A

FISCAL IMPACT**Fiscal Impact:** N/A**Budget Reference:** N/A**Funding Source:** N/A**ATTACHMENTS**

1. E-bikes



E-BIKES VS E-MOTOS

Know Before You Buy or Ride



This is an E-bike

Pedal powered and operates at speeds of **less than 28/20 mph** depending on the class.

This is not an E-bike

This is an **electric motor-driven cycle**, some of which can reach speeds of over 70 mph.



E-MOTOS

- All Sur-Rons, Talarias, and similar electric dirt bikes are motorcycles or motor-driven cycles and **cannot** operate in parks, on sidewalks, bike lanes, or shared-use paths.
- Motorcycle License: Riders must hold a valid driver's license with a motorcycle endorsement (ARS 28-3151A)
- Safety Gear: Helmets are mandatory for riders under the age of 18, and eye protection is required for all (ARS 28-964.A)
- Vehicle Registration: Motor-driven cycles must be registered, insured, and properly licensed, just like other motor vehicles



E-BIKES

Pedals and Propulsion:

- E-bikes require you to pedal to activate the motor (though some have a limited throttle option).



E- Bikes Arizona State Law (Baseline Authority)

Arizona adopted a three-class e-bike system under **A.R.S. § 28-819**. The statute establishes the following:
Key provisions:

- E-bike riders generally have the same rights and responsibilities as traditional bicyclists.
- No registration, insurance, license plate, or driver's license is required.
- Class 1 and Class 2 e-bikes are allowed on bicycle and multi-use paths **unless a local jurisdiction prohibits them.**
- Class 3 e-bikes are prohibited on bicycle and multi-use paths **unless the local jurisdiction specifically allows them.**

This is important because Arizona law explicitly gives local governments authority over e-bike access on paths and trails.

Class	Description	Top Assisted Speed
Class 1	Pedal-assist only	20 mph
Class 2	Throttle-assisted	20 mph
Class 3	Pedal-assist only	28 mph

www.fountainhillsaz.gov



What Other Phoenix Metro Communities Are Doing

Phoenix

- The most restrictive approach is found in certain park and preserve areas.
- The City of Phoenix Parks and Recreation Department prohibits riding electric bicycles and other motorized vehicles on trails within its preserve and trail system. This applies primarily to natural-surface hiking and mountain biking trails in the preserve system.
- **Policy model:**
- Allow e-bikes on streets and paved facilities.
- Prohibit e-bikes on natural-surface preserve trails.



Scottsdale

- Scottsdale generally follows the state framework.
- Current guidance allows:
- Class 1 and Class 2 e-bikes on multi-use paths and sidewalks.
- Class 3 e-bikes are prohibited on paved shared-use paths.
- Riders are encouraged to use bike lanes and roadways for Class 3 operation.

Scottsdale has also adopted ordinances regulating:

- Reckless riding.
- Riding under the influence.
- **Policy model:**
- Permit Class 1 and 2.
- Restrict Class 3 from shared-use paths.
- Focus enforcement on rider behavior.



Glendale (Most Restrictive / Most Comprehensive)

In late 2025, Glendale adopted a standalone e-bike and e-scooter ordinance in response to safety concerns involving youth riders and reckless operation. The ordinance includes:

Age Restrictions

- Class 1 and Class 2 e-bikes: minimum age 14
- Class 3 e-bikes: minimum age 16
- Helmets required for riders under 18

Equipment Requirements

- White front light
- Red rear light
- Reflectors for nighttime operation

Behavioral Regulations

- Prohibits reckless riding
- Prohibits riding against traffic
- Prohibits intentional wheelies
- Requires compliance with traffic laws

Enforcement

- Fines start at \$50
- Repeat offenses can reach \$500 within a 12-month period

Park Speed Limits

Glendale's park code already limits bicycles and similar devices in parks to **15 mph** and requires yielding to pedestrians.

Policy Takeaway

Glendale's ordinance focuses less on where e-bikes may operate and more on:

Youth access

Unsafe behavior

Enforcement authority

This is likely the strongest model currently in the Valley.



FOUNTAIN
HILLS

Common Regulatory Options Available

Option 1 – Follow Arizona Law Only

Description

- Adopt no additional regulations.
- Does not allow E-Moto in any parks and they must follow vehicular rules of the road
- Allow Class 1 and 2 E-Bikes wherever bicycles are allowed, this includes in the parks and on sidewalks.
- Does not allow Class 3 E-Bikes in any parks or multi-use pathways and only allows where state law permits(bike lanes, public streets).

Pros

- Simple.
- Minimal enforcement burden.
- Consistent with state law.

Cons

- Limited ability to address resident concerns about speed and conflicts.



**FOUNTAIN
HILLS**

Option 2 – Path and Trail Classification

Create separate rules for:

- Shared-use paths (Fountain Park, Four Peaks pathways etc.)
- Natural-surface trails (Adero, Desert Botanical, Overlook)
- Sidewalks (All pathways not shared-use)
- Roadways

Example:

Facility Type	Class 1	Class 2	Class 3
Roads	Yes	Yes	Yes
Bike lanes	Yes	Yes	Yes
Shared-use paths	Yes	Yes	No
Natural-surface trails	No	No	No

Pros

Most common municipal approach.

Cons

Requires signage
Difficulty with enforcement



**FOUNTAIN
HILLS**

Option 3 – Age Restrictions

Adopted youth restrictions due to risks of crashes involving high-powered e-bikes.

Examples:

- No e-bikes at all under age 14

OR

- No Class 2 or 3 under age 14 (this allows under age 14 to ride class 1)

Pros

- Addresses concerns about younger riders.

Cons

- More difficult to enforce.



**FOUNTAIN
HILLS**

Option 4- Set age and location restrictions

- No e-bikes under age 14
OR
- No Class 2 or 3 under age 14
(this allows under age 14 to ride class 1)

Facility Type	Class 1	Class 2	Class 3
Roads	Yes	Yes	Yes
Bike lanes	Yes	Yes	Yes
Shared-use paths	Yes	Yes	No
Sidewalks	Yes	Yes	No
Natural-surface trails	No	No	No

Pros

Addresses concerns about younger riders
Addresses concerns about E-Bikes in parks

Cons

More difficult to enforce.

Option 5- No E-Bikes In Parks

- This eliminates all e-bikes and e-moto from parks all the time

Pros

Simple

Easy to enforce

Cons

Very restrictive

Does not address street riding concerns from residents



**FOUNTAIN
HILLS**

QUESTIONS?





TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Development Services
Prepared by: John Wesley, Development Services Director
Staff Contact Information: Phone: 480-816-5138
Email: jwesley@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

PUBLIC HEARING, with CONSIDERATION AND POSSIBLE ACTION: Regarding Ordinance 26-11, amending Zoning Ordinance Chapter 6, Sign Regulations, Section 6.08 A. 6. Drive-Through Sign, to increase the allowed size of these signs.

Staff Summary (background)

Chapter 6 of the Zoning Ordinance sets the standards and regulations for signs. Sign regulations are based on time, place, and manner provisions and cannot be based on content.

Section 6.08 provides the standards and allowances for each type of sign allowed in Fountain Hills. One of the sign types is Drive-through Sign. Based on some recent inquiries regarding the provisions for this sign type, staff have looked at the need to recommend some changes.

A major update was made to the sign ordinance in 2021 to bring it into conformance with the US Supreme Court Decision in Reed v. Town of Gilbert to make such ordinance content neutral. The Town sign ordinance prior to that update had the limitation on menu board signs at 5' tall and 20 sq. ft. That same standard was continued in the revised ordinance for drive-through signs.

Cities and towns use different approaches and language to describe sign types. Two cities that also specifically list drive-through signs in their sign ordinance are Gilbert and Scottsdale. The Town of Gilbert zoning ordinance states drive-through signs can be 7' tall and up to 50 sq. ft., the City of Scottsdale also allows these signs to be 7' tall but limits the size to 45 sq. ft.

An internet search of standard drive-through menu board sizes provided the following common sizes:

Small (Coffee Shops): 3' - 4' width, 2' - 3' height (6 - 12 sq. ft.)

Medium (Fast Food): 4' - 6' width, 3' - 4' height (12 - 24 sq. ft.)

Large (Full-Service QSRs): 6' - 8' width, 4' - 5' height (24 - 40 sq. ft.)

Digital Menu Boards: The best visibility is obtained with dimensions between 55" and 75" giving customers a clear view of the board from a distance

An increase in the allowed sign area to 30 sq. ft. and a maximum height of seven feet would be in keeping with industry standards.

Related Ordinance, Policy or Guiding Principle

Risk Analysis

N/A

Recommendation(s) by Board(s) or Commission(s)

The Planning and Zoning Commission held a public hearing on this text amendment at their May 11, 2026, regular meeting. There were no public comments. The Commissioners agreed this amended was warranted and voted unanimously to recommend approval.

Staff Recommendation(s)

Staff finds that our current code allowance is smaller than what is standard in the industry and recommends approval of Ordinance 26-11.

Suggested Motion

MOVE TO APPROVE Ordinance 26-11.

FISCAL IMPACT

Fiscal Impact: N/A

Budget Reference: N/A

Funding Source: N/A

ATTACHMENTS

1. ORDINANCE NO 26-11

ORDINANCE NO. 26-11

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, MARICOPA COUNTY, ARIZONA, AMENDING ZONING ORDINANCE CHAPTER 6, SIGN REGULATIONS, SECTION 6.08 A 6, DRIVE-THROUGH SIGNS TO INCREASE THE SIZE OF SIGNS ALLOWED

WHEREAS, the Mayor and Council of the Town of Fountain Hills (the “Town Council”) adopted Ordinance No. 93-22 on November 18, 1993, which adopted the Zoning Ordinance for the Town of Fountain Hills (the “Zoning Ordinance”); and

WHEREAS, the Town Council desires to amend Chapter 6, Sign Regulations, Section 6.08 D. 6. Drive-Through Signs to allow larger signs; and

WHEREAS, in accordance with the Zoning Ordinance and pursuant to ARIZ. REV. STAT. § 9-462.04, public hearings regarding this ordinance were advertised in the April 22, 2026, and April 29, 2026, editions of the Fountain Hills Times; and

WHEREAS, a public hearing was held by the Town Council on June 16, 2026; and

WHEREAS, in accordance with Article II, Sections 1 and 2, Constitution of Arizona, and the laws of the State of Arizona, the Town Council has considered the individual property rights and personal liberties of the residents of the Town and the probable impact of the proposed ordinance on the cost to construct housing for sale or rent before adopting this ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. Chapter 6, Sign Regulations, is hereby amended as provided in Exhibit A.

SECTION 3. If any provision of this Ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct and independent of all other provisions and such holding shall not affect the validity of the remaining portions of this Ordinance.

SECTION 4. This ordinance shall become effective thirty (30) days after its passage and adoption by the Town Council of the Town of Fountain Hills, Arizona, and its approval by the Mayor and attestation by the Town Clerk.

**PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills,
Arizona, this 16th day of June, 2026.**

TOWN OF FOUNTAIN HILLS, ARIZONA

ATTEST:

Gerry M. Friedel, Mayor

Bevelyn Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

Rachael Goodwin, Town Manager

Jennifer J. Wright, Town Attorney

ORDINANCE NO. 2026-11

EXHIBIT A

Chapter 6. Sign Regulations

...

Section 6.08 Sign Requirements and Allowances

...

6. Drive-Through Sign

...

c. *Size/Height.* Maximum sign area shall be ~~twenty~~ **THIRTY** (~~20~~**30**) square feet. Maximum sign height is ~~five~~ **SEVEN** feet.

...



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Public Works
Prepared by: Justin Weldy, Public Works Director
Staff Contact Information: Phone: 480-816-5133
Email: jweldy@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION Regarding the Professional Services Agreement 2027-02 with BIO-Janitorial Services, Inc. for Town-Wide Janitorial Services.

Staff Summary (background)

The Town's current contracts for janitorial services have reached their term limits, with no additional renewal options available. To ensure continuity of these essential services and to consolidate janitorial service needs under a more efficient contracting structure, the Town published Request for Proposals (RFP) 2026-001 for Town-Wide Janitorial Services.

On February 12, 2026, the Town of Fountain Hills released the RFP seeking qualified firms to provide professional janitorial and custodial services for Town facilities. The RFP was publicly advertised in the Arizona Business Gazette on February 12 and February 19, 2026, in accordance with the Town's Procurement Code. A non-mandatory pre-submittal conference was held on March 12, 2026, and proposals were due on March 26, 2026.

The work includes cleaning services at Town Hall/Sheriff's Office, the Community Center, Library, Town parks, and trailhead restroom locations. The overall scope encompasses approximately 59,000 square feet of Town facilities. All cleaning supplies will be provided by the Town.

The primary purpose of the agreement is to address Town-wide janitorial service needs and scheduled carpet cleaning at Town facilities. Specific enhancements included in the scope of work include: Increased service levels at the Community Center, including expanded event and program cleaning support; programmed carpet cleaning services across all Town Hall campus buildings; and Porter duties and special cleaning services as directed by Town staff representatives. These service enhancements are necessary to maintain facility standards in response to increased community use, expanded programming, and ongoing facility maintenance requirements.

A total of sixteen (16) janitorial service companies submitted proposals in response to the RFP. An internal evaluation committee consisting of staff from the Administration, Public Works, and Community Services Departments conducted a comprehensive review of the proposals based on qualifications, experience, service capabilities, responsiveness, and overall value to the Town.

Following the evaluation process, staff selected BIO-Janitorial Services, Inc. as the highest-ranked and best-qualified firm to provide the requested services. The focus of the RFP was to

secure a qualified vendor capable of delivering a broad range of custodial and facility management services across the Town's diverse facilities. The Town's objective was to enter into a long-term agreement with a company able to substantially improve cleanliness, service quality, operational efficiency, and responsiveness while maintaining cost-effective service delivery. The proposed agreement in the amount not to exceed \$150,000 per term also includes provisions for porter duties during special events and additional special cleaning services, billed at pre-established rates established within the agreement.

Funding for janitorial services is included within the approved operating budgets of the applicable departments and facilities utilizing these services. Future funding for the agreement will be subject to annual budget appropriations approved by the Town Council. The agreement provides predictable service costs while consolidating multiple janitorial service needs under a single contract structure for improved administrative efficiency. Staff believes BIO-Janitorial Services, Inc. possesses the experience, staffing resources, and operational capabilities necessary to successfully provide comprehensive janitorial services for Town facilities.

Related Ordinance, Policy or Guiding Principle

Public Works Mission Statement

Risk Analysis

Failure to approve the agreement for Town-Wide Janitorial Services may result in interruptions to custodial services at Town facilities, including Town Hall, the Sheriff's Office, Community Center, Library, parks, and trailhead restroom locations. These interruptions could negatively impact facility cleanliness, public health standards, customer service, and the overall appearance of Town facilities.

The Town's current janitorial service contracts have reached their term limits with no remaining renewal options. Without approval of a new agreement, the Town may be required to procure short-term or emergency services at potentially higher costs and with reduced service consistency.

Increased use of Town facilities expanded programming at the Community Center, and ongoing maintenance needs require enhanced janitorial support, including scheduled carpet cleaning and event-related porter services. Delays in securing these services could result in accelerated wear of Town facilities, reduced cleanliness standards, and increased long-term maintenance costs.

Approval of the agreement provides continuity of custodial services through a competitively procured contract with a qualified vendor capable of meeting the Town's operational and facility maintenance needs.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)

Staff recommends that the Town Council approve the Agreement for Town-Wide Janitorial Services with BIO-Janitorial Services, Inc.

Suggested Motion

Move to approve the Professional Services Agreement 2027-02 for Town-Wide Janitorial

Services with BIO-Janitorial Services, Inc. in an amount not to exceed \$150,000 per term

FISCAL IMPACT

Fiscal Impact: \$150,000 per term

Budget Reference: Multiple Fiscal Years

Funding Source: Public Works, Facilities Division, Community Services, Parks Division in the General Fund

ATTACHMENTS

1.	2027-002 Bio-Janitorial Service
----	---------------------------------

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
BIO-JANITORIAL SERVICE, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT (this “Agreement”) is entered into as of July 1, 2026, between the Town of Fountain Hills, an Arizona municipal corporation (the “Town”) and BIO-Janitorial Service, Inc., an Arizona corporation (the “Vendor”).

RECITALS

A. The Town issued Requests for Proposals (RFP) No. 2026-001 (the “RFP”), a copy of which is on file with the Town and incorporated herein by reference, seeking bids for the Janitorial Services (the “Services”).

B. The Vendor responded to the RFP by submitting a proposal (the “Proposal”), attached hereto as Exhibit A and incorporated herein by reference.

C. The Town desires to enter into an Agreement with the Vendor to perform the Services, as set forth below.

AGREEMENT

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

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and attested to by the Town Clerk pursuant to Section 3-3-31 of the Town Code, and shall remain in full force and effect until June 30, 2027 (the “Initial Term”), unless terminated as otherwise provided in this Agreement. After the expiration of the Initial Term, this Agreement may be renewed for up four successive one-year terms (each, a “Renewal Term”) if: (i) it is deemed in the best interests of the Town, subject to availability and appropriation of funds for renewal, (ii) at least 30 days prior to the end of the then-current term of this Agreement, the Vendor requests, in writing, to extend this Agreement for an additional one-year term and (iii) the Town approves the additional one-year term in writing (including any price adjustments approved as part of this Agreement), as evidenced by the Town Manager’s signature thereon, which approval may be withheld by the Town for any reason. The Vendor’s failure to seek a renewal of this Agreement shall cause this Agreement to terminate at the end of the then-current term of this Agreement; provided, however, that the Town may, at its discretion and with the agreement of the Vendor, elect to waive this requirement and renew this Agreement. The Initial Term and all Renewal

Terms, if any, are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

2. Scope of Work. Vendor shall provide the Services as set forth in the Proposal attached hereto as Exhibit A and incorporated herein by reference.

3. Compensation. The Town shall pay the Vendor an amount not to exceed **\$150,000** per Term at the rates set forth in the Proposal attached.

4. Payments. The Town shall pay the Vendor monthly (and the Vendor shall invoice the Town monthly), based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. All invoices and statements shall be emailed to accountspayable@fountainhillsaz.gov. This Agreement must be referenced on all invoices. Town Finance will not disburse any payments to Vendors without a valid business license, as applicable.

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

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

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Vendor’s performance. The Vendor shall provide and maintain a self-inspection system that is acceptable to the Town.

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

9. Performance Warranty. Vendor warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

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

11. Insurance.

11.1 General.

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

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

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

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

E. Primary Insurance. Vendor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured; the Town's insurance shall be non-contributory.

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

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

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

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

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Vendor will provide the Town with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Vendor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The Town shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Vendor's responsibility to forward renewal certificates and declaration page(s) to the Town 30 days prior to the expiration date. All certificates of

insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

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

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

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

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

(2) Vendor’s insurance shall be primary insurance with respect to performance of this Agreement.

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

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

11.2 Required Insurance Coverage.

A. Commercial General Liability. Vendor shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims

arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

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

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Vendor engages in any professional services or work in any way related to performing the work under this Agreement, the Vendor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Vendor, or anyone employed by the Vendor, or anyone for whose negligent acts, mistakes, errors and omissions the Vendor is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 annual aggregate.

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

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

12. Termination; Cancellation.

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

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

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

12.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a Vendor to any other party of this Agreement with respect to the subject matter of this Agreement.

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

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

Agreement shall terminate at the end of then-current fiscal year and the Town and the Vendor shall be relieved of any subsequent obligation under this Agreement.

13. Miscellaneous.

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

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

13.3 Laws and Regulations. Vendor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Vendor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future Town and County ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

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

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

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

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

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

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

13.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Vendor from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

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

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

13.13 Offset.

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

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

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

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Rachael Goodwin, Town Manager

With copy to: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Jennifer Wright, Town Attorney

If to Vendor: BIO-Janitorial Services, Inc.
6630 N. 47th Ave., Suite 4
Glendale, Az. 85301
Attn: Candace Anne

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

13.15 Confidentiality of Records. The Vendor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or

employees, except as required to perform Vendor's duties under this Agreement. Persons requesting such information should be referred to the Town. Vendor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of Vendor as needed for the performance of duties under this Agreement.

13.16 Records and Audit Rights. To ensure that the Vendor and its subcontractors are complying with the warranty under subsection 13.17 below, Vendor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Vendor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the Town, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Vendor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Vendor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 13.17 below. To the extent necessary for the Town to audit Records as set forth in this subsection, Vendor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the Town shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the Town to Vendor pursuant to this Agreement. Vendor and its subcontractors shall provide the Town with adequate and appropriate workspace so that the Town can conduct audits in compliance with the provisions of this subsection. The Town shall give Vendor or its subcontractors reasonable advance notice of intended audits. Vendor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

13.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Vendor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Vendor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Town.

13.18 Israel. Vendor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

13.19 China. Pursuant to and in compliance with A.R.S. § 35-394, Vendor hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Vendor will not, use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. Vendor also hereby agrees to indemnify and hold harmless the Town, its officials, employees, and agents

from any claims or causes of action relating to the Town's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the Town in defending such as action.

13.20 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any Town-approved invoices, and the RFP, and the Proposal, the documents shall govern in the order listed herein.

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

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

[SIGNATURES ON FOLLOWING PAGES]

“Town”
TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

FOR THE TOWN OF FOUNTAIN HILLS:

Town Manager

Date: _____

ATTESTED TO:



Town Clerk

Date: _____

APPROVED AS TO FORM:

Town Attorney

Date: _____

FOR THE VENDOR:

By:  Date: 5/29/26
Signing Time: 5/29/26 09:07 MST

Name: Candace Anne

Title: Strategic Partnerships Manager

EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
BIO-JANITORIAL SERVICE, INC.

[Vendor's Proposal/Bid]

See following pages.



Town of Fountain Hills
Admin-Procurement
Robert Durham, Procurement Administrator
16705 E. Avenue of the Fountains, Fountain Hills, AZ 85268

[BIO-JANITORIAL SERVICE, INC.] RESPONSE DOCUMENT REPORT

RFP No. RFP-2026-001

Janitorial Services Town-wide

RESPONSE DEADLINE: March 26, 2026 at 5:00 pm

Report Generated: Thursday, May 14, 2026

BIO-Janitorial Service, Inc. Response

CONTACT INFORMATION

Company:

BIO-Janitorial Service, Inc.

Email:

candace@biojanitorial.com

Contact:

Candace Anne

Address:

6630 N 47th Ave

Ste 4

Glendale, AZ 85301

Phone:

(623) 931-6216

Website:

www.biojanitorial.com

Submission Date:

Mar 26, 2026 2:16 PM (Mountain Time - Arizona)

ADDENDA CONFIRMATION

Addendum #1

Confirmed Mar 17, 2026 2:49 PM by Sales Bio

Addendum #2

Confirmed Mar 17, 2026 2:49 PM by Sales Bio

QUESTIONNAIRE

1. Certification

By confirming questions under this section, the Vendor certifies:

NO COLLUSION*

Pass

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

Confirmed

NO GRATUITY*

Pass

It has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor or service to a Town employee, officer or agent in connection with the submitted Proposal. It (including the Vendor's employees, representatives, agents, lobbyists, attorneys, and subcontractors) has refrained, under penalty of disqualification, from direct or indirect contact for the purpose of influencing the selection or creating bias in the selection process with any person who may play a part in the selection process, including the Selection Committee, elected officials, the Town Manager, Assistant Town Managers, Department Heads, and other Town staff. All contact must be addressed to the Town's Procurement Agent,

except for questions submitted as set forth in Subsection 1.4 (Inquiries), above. Any attempt to influence the selection process by any means shall void the submitted Proposal and any resulting Agreement.

Confirmed

FINANCIAL STABILITY*

Pass

It is financially stable, solvent and has adequate cash reserves to meet all financial obligations including any potential costs resulting from an award of the Agreement.

Confirmed

NO SIGNATURE/FALSE OR MISLEADING STATEMENT*

Pass

The signature on the cover letter of the Proposal and the Vendor Information Form is genuine and the person signing has the authority to bind the Vendor. Failure to sign the Proposal and the Vendor Information Form, or signing either with a false or misleading statement, shall void the submitted Proposal and any resulting Agreement.

Confirmed

PROFESSIONAL SERVICES AGREEMENT*

Pass

In addition to reviewing and understanding the submittal requirements, it has reviewed the attached sample Professional Services Agreement including the Scope of Work and other Exhibits.

Confirmed

REFERENCE CHECKS*

Pass

References will be checked, and it is Vendor's responsibility to ensure that all information is accurate and current. Vendor authorizes the Town's representative to verify all information from these references and releases all those concerned from any liability in connection with the information they provide. Inability of the Town to verify references shall result in the Proposal being considered non-responsive.

Confirmed

2. Vendor Proposal

GENERAL INFORMATION*

Pass

- A. One page cover letter as described in the section titled ["RFP Submission Process"](#), the subsection titled "Required Submittal".
- B. Provide Vendor identification information. Explain the Vendor's legal organization including the legal name, address, identification number and legal form of the Vendor (e.g., partnership, corporation, joint venture, limited liability company, sole proprietorship). If a joint venture, identify the members of the joint venture and provide all of the information required under this section for each member. If a limited liability company, provide the name of the member or members authorized to act on the company's behalf. If the Vendor is a wholly owned subsidiary of another company, identify the parent company. If the corporation is a nonprofit corporation, provide nonprofit documentation. Provide the name, address and telephone number of the person to contact concerning the Proposal.
- C. Identify the location of the Vendor's principal office and the local work office, if different. Include any documentation that supports the Vendor's authority to provide services in Arizona.
- D. Provide a general description of the Vendor's organization, including years in business.
- E. Identify any contract or subcontract held by the Vendor or officers of the Vendor that have been terminated within the last five years. Briefly describe the circumstances and the outcome.
- F. Identify any claims arising from a contract which resulted in litigation or arbitration within the last five years. Briefly describe the circumstances and the outcome.

Organization_Chart_-_BIO.pdf

RFP-2026-001_2.1._General_Information-BIO-signed.pdf

EXPERIENCE AND QUALIFICATIONS OF THE VENDOR*

Pass

- A. Provide a detailed description of the Vendor's experience in providing similar services to municipalities or other entities of a similar size to the Town, specifically relating experience with respect to Janitorial Services Town-wide.
- B. Vendor must demonstrate successful completion of at least three similar projects within the past 60 months. For the purpose of this Solicitation, "successful completion" means completion of a project within the established schedule and budget and "similar projects" resemble this project in size, nature and scope. Provide a list of at least three organizations for which you successfully completed a similar project. This list shall include, at a minimum, the following information:
 1. Name of company or organization.
 2. Contact name.
 3. Contact address, telephone number and e-mail address.
 4. Type of services provided.
 5. Dates of contract initiation and expiration.

RFP-2026-001_2.2._Experience_and_Qualifications-BIO.pdf

KEY POSITIONS*

Pass

- A. Identify each key personnel member that will render services to the Town including title and relevant experience required, including the proposed project manager and project staff.
- B. Indicate the roles and responsibilities of each key position. Include senior members of the Vendor only from the perspective of what their role will be in providing services to the Town.
- C. If a subcontractor will be used for all work of a certain type, include information on this subcontractor. A detailed plan for providing supervision must be included.

- D. Attach a résumé and evidence of certification, if any, for each key personnel member and/or subcontractor to be involved in this project. Résumés should be attached together as a single appendix at the end of the Proposal and will not count toward the Proposal page limit. However, each resume shall not exceed two pages in length.

RFP-2026-001_2.3._Key_Positions-BIO.pdf

PROJECT APPROACH*

Pass

- A. Describe the Vendor's approach to performing the required Services in the section titled [Scope of Work](#), and its approach to contract management, including its perspective and experience on partnering, customer service, quality control, scheduling and staff.
- B. Describe any alternate approaches if it is believed that such an approach would best suit the needs of the Town. Include rationale for alternate approaches, and indicate how the Vendor will ensure that all efforts are coordinated with the Town's Representatives.

RFP-2026-001_2.4._Project_Approach-BIO.pdf

PRICING*

Pass

The Fee Proposal shall list the individual cost for each task or location and shall be provided in a spreadsheet format to enable the Town staff to determine (1) total labor hours, (2) key team member(s) proposed for each task and sub-task and (3) number of management and support personnel hours. The hourly rate, title of team member, and staff classification shall be included in the spreadsheet. Identify all other costs and subcontractor fees.

2.5._Pricing-BIO.xlsx

2.5._Pricing-BIO.pdf



Oliver Ibeh
CEO / Director of Operations

Tenure with Company: 36 Years (Since 1990).

Time Commitment: 20% dedicated to RFP 2026-001 for Executive Oversight and Strategic Planning

Reporting Authority: Operates at the Executive Level, reporting directly
to the Town Council and Procurement on all strategic issues.



Gloria Piepho

Business Manager

3+ Years With the Company

Time Commitment: 50%

(Dedicated Administrative Support)

Financial Management: Contract
Administration;
Specialized in Municipal Billing Protocols

Candace Anne

Strategic Partnerships Manager

2+ Years With the Company

Time Commitment: 15%

(Strategic Support/Client Liaison)

Strategic Partnerships; **OSHA 30-Hour
Construction;**
Quality Control (QC) Documentation Lead

Fernando Ocegueda

Operations/Contract Manager SPOC

19+ Years With the Company

Time Commitment: 100%

(Dedicated Contract Management)

Single Point of Contact (SPOC); 24/7 Emergency
Response; Certified in **Boomlift & Scissor Lift;**
OSHA 30-Hour Construction.

Veronica Chavez

HR / Payroll Manager

2+ Years With the Company

Time Commitment: 25%

(HR/Wage Compliance)

Prevailing Wage Compliance; E-Verify
Administrator; **Maximum Risk** Background
Screening Specialist

Working Supervisors

On-Site QC/Crew Leads

2 – 5 Years (Average) With the Company

Time Commitment: 100%

Clean Smarts Certified; **BBP & HAZCOM** Certified; Direct
Oversight of Route Safety & ensure strict adherence to
Wastewater Containment protocols

Synergy Construction Supervisor

Maintenance Liaison

55+ Years (Shared Executive Experience)

Time Commitment: **As Needed**

(On-demand Maintenance Dispatch)

KB-1 Dual Building Contractor License ROC 353599

Expert in Structural Maintenance & Emergency

Infrastructure Repairs

Custodial Staff

Cleaning Technicians

1 – 5 Years (Average) With the Company

100% (Daily Shift Execution)

Bloodborne Pathogen (BBP) Certified;
Beyond standard custodial duties, these
technicians are **Bloodborne Pathogen (BBP)**
Certified.

100% of staff are W-2 employees



BIO-Janitorial Service, Inc.

2.1. General Information for Janitorial Services: Town of Fountain Hills

Project ID: RFP-2026-001



Candace Anne
3-26-2026

Table of Contents

Table of Contents.....	2
2.1.General Information:	3
A. Cover Letter	3
B. Vendor Identification Information	4
Authorized Contact for Proposal.....	4
C. Office Locations and Authority to Conduct Business	4
D. General Description and Years in Business	4
E. Terminated Contracts or Subcontracts (Last 5 Years)	4
F. Litigation and Arbitration Claims (Last 5 Years)	4



2.1.General Information:

A. Cover Letter

March 26, 2026

To: The Town of Fountain Hills
Attn: Procurement Division / Administration
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

Subject: Proposal for Janitorial Services Town-wide – RFP-2026-001

Dear Selection Committee,

Since 1990, BIO-Janitorial Service, Inc. (BIO) has provided municipal stewardship rooted in our **"Born Green"** philosophy. For 36 years, we have maintained **APPA Level 2** standards without harsh toxins, protecting the Town's 13,006 acres of sensitive desert.

As an Arizona C Corporation, BIO replaces the national franchise model with **Direct Executive Accountability** and a dedicated 100% W-2 workforce.

Why BIO is the Right Partner:

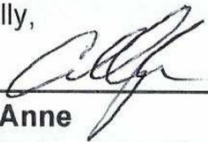
- **Transparency:** GPS-verified check-ins and time-stamped photo proof via **Clean Smarts™**.
- **Security:** Proven success managing high-clearance City of Phoenix Police and Fire facilities.
- **Protection:** Our **KB-1 Dual Building Contractor** status (ROC 353599) allows us to identify and report structural risks before they become emergency costs.
- **Specialization:** Non-toxic, odorless trailhead maintenance ensuring **MS4 Compliance**.

Superior Value Proposition:

- **Introductory Investment:** We will provide the **first month of service at our own expense** to prove our value.
- **Waste Reduction:** We will audit and monitor Town-provided consumables to prevent loss and maximize budget efficiency.

Backed by a **\$400,000 readiness line of credit**, BIO is prepared to transition and protect your 59,000 square feet of public space.

Respectfully,



Candace Anne

Strategic Partnerships Manager, BIO-Janitorial Service, Inc.

B. Vendor Identification Information

BIO-Janitorial Service, Inc. provides the following organizational details in accordance with the Town's requirements:

- **Legal Name:** BIO-Janitorial Service, Inc.
- **Legal Form:** C Corporation (An Arizona Corporation)
- **Identification Number (EIN):** 86-0735138
- **Entity Identifiers: Unique Entity ID:** H8QCR8K9JEN6; **CAGE Code:** 3BX00
- **Parent Company:** Not applicable; BIO is an independent Arizona corporation and is not a subsidiary of any other company.
- **Joint Venture:** Not applicable; BIO is not submitting this proposal as part of a joint venture.

Authorized Contact for Proposal

The following individual is responsible for this proposal and is authorized to act on behalf of the corporation:

- **Name:** Candace Anne
- **Title:** Strategic Partnerships Manager
- **Address:** 6630 N. 47th Ave, Ste 4, Glendale, AZ 85301
- **Telephone Number:** 623-931-6216
- **Email Address:** candace@biojanitorial.com

C. Office Locations and Authority to Conduct Business

- **Principal Office:** 6630 N. 47th Ave, Ste 4, Glendale, AZ 85301.
- **Local Work Office:** All operations for the Town of Fountain Hills will be managed from our Glendale headquarters, located approximately 12 miles from the Town Hall. This proximity ensures rapid response times and direct executive oversight of all campus and trailhead locations.
- **Authority to Provide Services:** BIO-Janitorial Service, Inc. is an Arizona corporation in good standing. We maintain a **KB-1 Dual Building Contractor License (ROC 353599)**, authorizing us to perform comprehensive facility and infrastructure maintenance throughout the state.

D. General Description and Years in Business

- **Years in Business:** 36 Years (Established 1990).
- **Organization Description:** BIO is a 100% minority-owned Arizona C Corporation specialized in municipal and educational custodial stewardship. We were "**Born Green,**" founded on the principle of achieving high-performance **APPA Level 2** results through non-toxic, bleach-free chemistry. Unlike franchise aggregators, we utilize a **100% W-2 internal workforce** habituated to high-security environments like the City of Phoenix Police and Fire departments.

E. Terminated Contracts or Subcontracts (Last 5 Years)

- **Status:** None.
- **Description:** Neither BIO-Janitorial Service, Inc. nor its officers have had any contracts or subcontracts terminated for cause or convenience within the last five years. Our growth is built upon long-term contract retention, such as our decade-long partnership with City of Phoenix Parks.

F. Litigation and Arbitration Claims (Last 5 Years)

- **Status:** None.
- **Description:** BIO has zero claims arising from a contract that resulted in litigation or arbitration within the last five years. We prioritize proactive field-level resolution and transparent communication to eliminate disputes.

BIO-Janitorial Service, Inc.

2.2. Experience and Qualifications of the Vendor for Janitorial Services: Town of Fountain Hills

Project ID: RFP-2026-001



Candace Anne
3-26-2026

Table of Contents

2.2. Experience and Qualifications of the Vendor 3

 A. Institutional Experience and Municipal Scale 3

 W-2 Workforce Integrity 3

 Infrastructure Preservation (The "Asset Guardian" Model)..... 3

 "Born Green" Environmental Expertise 4

 B. List of Similar Projects (Past 60 Months) 4

 Reference 1: High-Security Municipal Operations..... 4

Organization: City of Phoenix Police Department 4

 Reference 2: Decentralized Emergency Response Logistics 4

Organization: City of Phoenix Fire Department..... 4

 Reference 3: Public Lands and Recreational Stewardship..... 5

Organization: City of Phoenix Parks & Recreation 5

 C. Technology-Driven Accountability..... 5



2.2. Experience and Qualifications of the Vendor

A. Institutional Experience and Municipal Scale

BIO-Janitorial Service, Inc. (BIO) provides the Town of Fountain Hills with **36 years of specialized experience** in municipal custodial stewardship. Our organizational model is engineered to manage the complexities of "Town-wide" services, where diverse asset types—ranging from high-security administrative and public safety offices to high-traffic recreational trailheads—require distinct, high-performance operational protocols.

Public Safety & High-Security Command

Our extensive history with the **City of Phoenix Police and Fire Departments** has habituated our workforce to the rigorous background clearances and professional integrity essential for the **Fountain Hills Sheriff's Office (MCSO)**. BIO technicians are trained to operate seamlessly within:

- **Evidence & Holding Areas:** Maintaining strict sanitation without disturbing the integrity of high-security zones.
- **24/7 Operational Hubs:** Executing "silent" cleaning rotations that do not interfere with emergency dispatch or officer briefings.
- **Restricted Access Zones:** Adhering to strict key-control and biometric access logs mandated by municipal public safety departments.

W-2 Workforce Integrity

BIO mitigates the Town's liability and operational risk by employing a **100% W-2 workforce**. Unlike franchise models relying on independent contractors, every technician entering a Town facility is a direct employee of our C Corporation.

- **Vetting & Security:** Every technician undergoes rigorous, nationwide criminal background checks, multi-state sex offender registry searches, and E-Verify documentation.
- **Specialized Training:** All field staff are certified in **Bloodborne Pathogen Safety and Biohazard Remediation**.
- **Safety Compliance:** We ensure 100% adherence to **OSHA and ADOSH standards**, including proper Chemical Hazard Communication (HazCom) and the correct use of Personal Protective Equipment (PPE).

Infrastructure Preservation (The "Asset Guardian" Model)

Because BIO is the parent company to **Synergy Construction Services, LLC**—a licensed **KB-1 Dual Building Contractor (ROC 353599)**—our experience extends well beyond surface-level aesthetics. Under this framework, technicians identify and log structural vulnerabilities:

- **Early-Stage Moisture Intrusion:** Spotting ceiling stains or pipe "sweating" before they become costly floods.
- **Mechanical Wear:** Identifying unusual HVAC noises or hardware failures in high-traffic areas.

- **Safety Hazards:** Reporting loose handrails or flooring transitions that pose a trip risk.

"Born Green" Environmental Expertise

Established in 1990, BIO's **"Born Green"** philosophy utilizes proprietary, non-toxic, and bleach-free chemistry specifically engineered to protect the Town's **13,006 acres of sensitive desert ecosystems**.

- **Ecosystem Protection:** Biodegradable, phosphate-free solutions prevent toxic runoff in areas like **Adero Canyon**.
- **Superior Air Quality:** Eliminating bleach and synthetic fragrances supports a healthier environment in enclosed public spaces.
- **Odor Elimination:** Bio-enzymatic cleaners digest organic matter at the source in high-heat outdoor park restrooms.

B. List of Similar Projects (Past 60 Months)

BIO defines "successful completion" as delivering high-performance custodial results within the established municipal schedule and budget. The following three projects demonstrate our capacity to manage the size, nature, and scope of a Town-wide contract.

Reference 1: High-Security Municipal Operations

Organization: *City of Phoenix Police Department*

- **Contact Name:** Christy Alonzo, Management Services Administrator
- **Contact Info:** 620 W. Washington St, Phoenix, AZ 85003 | (602) 531-3622 | christina.alonzo@phoenix.gov
- **Type of Services:** BIO provides comprehensive high-security custodial and specialized maintenance for **134,785 sq. ft.** of mission-critical environments. This scope includes active police precincts, sensitive evidence storage areas, and specialized holding cells that require medical-grade disinfection and strict adherence to law enforcement safety protocols.
- **Dates:** March 2023 – Present
- **Relevance to Fountain Hills:** This project directly mirrors the rigorous security, confidentiality, and high-frequency disinfection requirements of the **Fountain Hills Sheriff's Office (MCSO)**. BIO's experience managing the complexities of a major metropolitan police headquarters ensures we have the vetted personnel and specialized training necessary to maintain the Town's public safety assets without operational interruption.

Reference 2: Decentralized Emergency Response Logistics

Organization: *City of Phoenix Fire Department*

- **Contact Name:** Silvio Vaninetti, Facilities Administrator
- **Contact Info:** 2625 S. 19th Ave, Phoenix, AZ 85009 | 602-262-7925 | silvio.vaninetti@phoenix.gov
- **Type of Services:** BIO executes routine daily and nightly custodial services for **21 decentralized fire stations**, operating **7 days a week, 365 days a year**. This high-readiness scope requires seamless coordination across multiple

geographical points, ensuring that living quarters, apparatus bays, and administrative areas remain sanitized and operational at all times. The contract also includes specialized floor care and deep-cleaning protocols tailored to the unique demands of 24/7 emergency response facilities.

- **Dates:** June 2021 – Present
- **Relevance to Fountain Hills:** This project demonstrates BIO's capacity to manage **complex, multi-site logistics** across Town-wide assets. Much like the Town's diverse portfolio—which spans from the Town Hall and Library to remote park buildings—our work with the Fire Department proves our ability to maintain consistent service levels and rapid response times across geographically dispersed locations without a drop in quality or oversight.

Reference 3: Public Lands and Recreational Stewardship

Organization: *City of Phoenix Parks & Recreation*

- **Contact Name:** Claire Miller, Preserve/Park Supervisor
- **Contact Info:** 200 W. Washington St, Phoenix, AZ 85003 | 602-495-5506 | claire.miller@phoenix.gov
- **Type of Services:** BIO provides comprehensive custodial and environmental maintenance for high-traffic trailhead assets and visitor centers. This specialized scope includes 365-day restroom sanitation, high-volume trash removal, and the maintenance of desert-sensitive public facilities. Our team ensures that these remote assets remain pristine and safe for the public while strictly adhering to non-toxic "Born Green" cleaning protocols to prevent environmental degradation in protected preserve areas.
- **Dates:** September 2019 – December 2024 (Extended)
- **Relevance to Fountain Hills:** This contract mirrors the specific logistical and environmental requirements of **Fountain Park, Adero Canyon, and Golden Eagle Trailheads**. BIO's 5-year tenure (including a performance-based extension) with the City of Phoenix Parks Department proves our ability to manage remote assets that lack traditional facility infrastructure, ensuring an odorless and welcoming experience for residents and tourists in Fountain Hills' most sensitive desert environments.

C. Technology-Driven Accountability

Our qualifications are reinforced by the **Clean Smarts™ ecosystem**, transforming custodial services into a measurable operation.

- **GPS-Verified Performance:** Technicians must be within a GPS-fenced radius of the Fountain Hills site to clock in, ensuring 100% labor accountability.
- **Digital Audit Trail:** Every task is documented with time-stamped **"Before/After" photo evidence** uploaded in real-time.
- **Real-Time Reporting:** A unified dashboard allows Town staff to monitor performance metrics and project status across all locations instantly.
- **Asset Health Notifications:** Technicians use the app to flag maintenance issues (e.g., leaking fixtures or broken gates) instantly to Town representatives.

BIO-Janitorial Service, Inc.

2.3. Key Positions for Janitorial Services: Town of Fountain Hills

Project ID: RFP-2026-001



Candace Anne
3-25-2026

Table of Contents

2.3. Key Positions	4
A. & B. Key Personnel, Titles, Experience, and Roles	4
C. Subcontractors and Supervision Plan	5
D. Résumés and Certifications	5
Appendix: Key Personnel Résumés	6
Oliver Ibeh CEO / Director of Operations	6
Professional Summary	6
Core Technical Qualifications	6
Experience Highlights	6
Education & Affiliations	7
Key Technical Skills	7
Awards & Recognition	7
Fernando Ocegüera Operations Manager	8
Professional Summary	8
Key Qualifications & Contract Relevance	8
Experience Highlights	8
Technical Certifications & Training	9
Technical Skills	9
Candace Anne Strategic Partnerships Manager	10
Professional Summary	10
Key Qualifications & Contract Relevance	10
Experience Highlights	10
Technical Certifications & Training	11
Technical Skills	11
Gloria Piepho Business Manager	12
Professional Summary	12
Key Qualifications & Contract Relevance	12
Experience Highlights	12
Technical Skills	12
Veronica Chavez HR / Payroll Manager (Corporate)	13
Professional Summary	13

RFP-2026-001_2.3. Key Positions-BIO

Key Qualifications & Contract Relevance	13
Experience Highlights.....	13
Education & Certifications	13
Technical Skills.....	13



2.3. Key Positions

BIO-Janitorial Service, Inc. (BIO) provides a leadership team built on **Permanent Accountability**. Unlike the franchise-based incumbent, our key personnel are direct employees of our C Corporation, ensuring the Town of Fountain Hills has a dedicated, local chain of command and immediate access to decision-makers.

A. & B. Key Personnel, Titles, Experience, and Roles

BIO's leadership offers a combined **56 years of Arizona-specific municipal experience**, providing the Town with a team that is already habituated to the security and environmental standards of the Maricopa County region.

Name	Title	Relevant Experience	Role & Responsibility for the Town
Oliver Ibeh	CEO & Director of Operations	36 years of executive oversight in AZ municipal/educational contracts.	Contract Manager: Primary POC for Town administration; manages \$400,000 line of credit for mobilization and emergency readiness.
Fernando Ocegüera	Operations Manager	20 years of direct field management and quality control at BIO.	Project Manager (SPOC): Single Point of Contact for daily operations; manages Clean Smarts™ digital audit trail and night-shift transitions.
Candace Anne	Strategic Partnerships Manager	Expert in municipal contract alignment and long-term client stewardship.	Liaison: Ensures contractual alignment and manages long-term relationship health and "Born Green" environmental compliance.
Veronica Chavez	HR / Payroll Manager	Specialized in W-2 workforce vetting and safety compliance.	Security/Safety Compliance: Manages W-2 workforce vetting, specifically background checks for the Sheriff's Office staff.
Gloria Piepho	Business Manager	Expert in municipal invoicing and fiscal transparency.	Fiscal Controller: Responsible for accurate invoicing, audit-ready records, and transparent financial reporting to the Town.

C. Subcontractors and Supervision Plan

- **Direct Execution:** BIO performs **100% of routine custodial, floor care, and window cleaning** with our in-house W-2 staff. By eliminating subcontractors for core services, we ensure maximum quality control and security integrity for the Town Hall and Sheriff's Office.
- **Subcontractor Utilization:** For highly technical infrastructure needs that fall outside standard custodial scopes (e.g., specialized HVAC duct cleaning or major structural repairs), BIO may utilize vetted partners under the oversight of our **KB-1 Dual Building Contractor License (ROC 353599)**.
- **Supervision Plan:** All work—whether performed by in-house staff or specialized partners—is subject to **GPS-verified truth** via the Clean Smarts™ ecosystem.
 - **Photo Proof:** *High-priority tasks* are marked "complete" with time-stamped **"Before/After" photo documentation** uploaded to the CleanSmarts portal.
 - **Audit Trail:** The Operations Manager (Fernando Ocegüera) reviews daily digital logs and conducts unannounced site audits to ensure **APPA Level 2 (Ordinary Tidiness)** standards are met or exceeded.

D. Résumés and Certifications

BIO is led by a veteran management team with a combined century of experience in high-security municipal operations and strategic infrastructure.

- **Oliver Ibeh (CEO):** Holds a **KB-1 Dual Building Contractor License**, authorizing BIO to manage both commercial and residential structural maintenance projects. With 34 years of experience, he oversees strategic planning and transition management.
- **Fernando Ocegüera (Operations Manager):** A results-driven leader and the firm's primary authority on the **Clean Smarts™** data-driven inspection framework. He leads BIO's high-security night staff operations and specialized floor care crews.
- **Candace Anne (Strategic Partnerships Manager):** Specializes in project execution and stakeholder relations. She holds a **Sustainable Landscape Management (SLM)** certification and is an Arizona Landscape Contractor Professional (ALCP) student, ensuring the Town's "Born Green" environmental mandates are met.
- **Evidence of Certification:** BIO maintains active **ADOSH** safety compliance and utilizes **Green Seal Certified** cleaning protocols for all Town facilities.

Appendix: Key Personnel Résumés

Oliver Ibeh | CEO / Director of Operations

oliver@biojanitorial.com | 623-931-6216 | Glendale, AZ

Role for the Town of Fountain Hills: As CEO and Director of Operations, Oliver provides **Executive Oversight, Financial Control, and Strategic Direction**. He serves as the primary point of contact for Town administration, ensuring 100% compliance with municipal mandates and managing the \$400,000 line of credit reserved for mobilization and emergency readiness.

Professional Summary

Oliver is a results-oriented executive with **36 years of experience** in custodial, general maintenance, repair, and operations management. He is recognized for his ability to lead multi-million-dollar service companies and implement complex performance-monitoring methodologies that bridge the gap between janitorial services and structural facility preservation.

Core Technical Qualifications

- **High-Security DNA:** Managed sanitation and hygiene regulations in secure environments for the Arizona Department of Corrections (1989–1994).
- **Municipal & Federal Specialization:** Built a diversified clientele including airports, government facilities, and high-traffic commercial buildings.
- **Fiscal Authority:** Directly responsible for the performance of a \$4 million-dollar janitorial service company and holds FSO Classified/High Security skills.
- **Asset Stewardship:** Leverages deep experience in project management and cost control to ensure the long-term health of public assets.

Experience Highlights

- **President/CEO, BIO-Janitorial Service, Inc. (2009–Present)**
 - Optimized efficiency and productivity through standardized operational processes.
 - Established strategic alliances with vendors to improve service delivery and cost-effectiveness.
 - Developed performance-monitoring methodologies used to track progress in high-traffic municipal environments.
- **Co-founder, Synergy Construction Services, LLC (2024–Present)**
 - Executed a successful commercial remodel for the Glendale Event Center valued at \$351,961.31, involving extensive structural renovations and landscaping.

- **Business Owner (1990–2009)**
 - Oversaw daily operations and negotiated complex municipal and commercial contracts.
 - Received the "Supplier of the Year" achievement award in 2001 and 2004.
- **Sanitation Supervisor, AZ Dept. of Corrections (1989–1994)**
 - Managed complex sanitation logistics in a maximum-security environment, ensuring strict compliance with hygiene and safety regulations.

Education & Affiliations

- **Bachelor of Science (B.S.):** Business Management, Western International University.
- **Professional Affiliations:** International Facility Management Association (IFMA), Building Service Contractors Association International (BSCAI), and the Better Business Bureau (BBB).

Key Technical Skills

- Contract Management & Value Engineering.
- Quality Control & Account Retention.
- FSO Classified/High Security Protocols.
- Strategic Planning & Mission Direction.

Awards & Recognition

- **Safety Award:** SCF Arizona (2000) for maintaining rigorous safety practices.
- **Supplier of the Year:** (2001, 2004) for commitment to excellence and service delivery.

Fernando Ocegüera | Operations Manager

operationsmanager@biojanitorial.com | 623-931-6216 | Glendale, AZ

Role for the Town of Fountain Hills: Fernando serves as the **Project Manager and Single Point of Contact (SPOC)**. He provides 24/7/365 accountability for all Town assets, managing the core daytime and night-shift transitions. He is the dedicated lead for the **Clean Smarts™** digital audit trail and conducts all joint performance inspections with Town Facilities staff.

Professional Summary

Fernando is a proactive, results-driven operational leader with **24 years of continuous experience** in field leadership, quality control, and specialized floor care. Having risen through the ranks at BIO-Janitorial since 2005, he embodies the company's "Zero-Gap" performance philosophy. He specializes in the execution of large-scale municipal contracts, high-security site management, and specialized industrial maintenance.

Key Qualifications & Contract Relevance

- **20-Year Institutional Tenure:** Fernando has mastered every facet of BIO's specialized SOPs, ensuring the Town receives a leader with deep-rooted institutional knowledge.
- **High-Security Authority:** Expert in supervising staff in sensitive environments, including police precincts and fire stations, with a focus on security and safety protocol enforcement.
- **Floor & Specialized Care Specialist:** Recognized as the firm's primary supervisor for restorative floor care, stripping, waxing, and industrial power washing.
- **Bilingual Leadership:** Fluent in English and Spanish, enabling seamless communication across a diverse technical workforce and municipal departments.

Experience Highlights

- **Operations Manager, BIO-Janitorial Service, Inc. (2005–Present)**
 - Oversees daily operations for high-traffic and critical infrastructure facilities.
 - Conducts technical training for staff on safety protocols, specialized equipment operation, and LEED/Green cleaning processes.
 - Manages the Clean Smarts™ ecosystem to ensure 100% compliance with shift-based SOW requirements and GPS-verified attendance.
 - Serves as the primary lead for site "walk-throughs" and quality assurance audits.

- **Labor Worker/Lead, Suntec Concrete (2010–2013)**
 - Gained extensive experience in masonry, construction inventory control, and heavy equipment operation.
- **Lead Supervisor, One Source/ABM (2002–2008)**
 - Managed janitorial and specialized floor care schedules for high-traffic commercial and municipal facilities.

Technical Certifications & Training

Fernando holds an extensive portfolio of safety and technical certifications, ensuring all work performed for the Town meets **OSHA** and **ADOSH** standards.

Course Name	Training Provider	Date
OSHA 30-Hour Construction Safety	OSHA / Suntec Training Dept.	04/11/15
Contractor Safety Trained	Corning Optical Communications	07/08/17
Silica Training	MCAA President and CEO	09/25/17
SOAR Video Training (Aviation Security)	Sky Harbor / Phoenix Aviation	10/06/18
Fall Protection & Fall Arrest	Suntec Training Dept.	03/21/15
Boomlift & Scissor Lift Operator	Suntec Training Dept.	05/02/15

Technical Skills

- Personnel Supervision & Training
- Quality Assurance & Equipment Control
- Security & Safety Protocol Enforcement
- Clean Smarts™ Digital Management
- Planning, Scheduling, and Customer Relationship Management

Candace Anne | Strategic Partnerships Manager

candace@biojanitorial.com | 623-931-6216 | Glendale, AZ

Role for the Town of Fountain Hills: Candace serves as the **Liaison for Strategic Partnerships**. She is responsible for contractual alignment, long-term relationship stewardship, and ensuring that BIO's "Born Green" initiatives meet the Town's environmental compliance standards. She bridges the gap between daily operations and high-level project execution.

Professional Summary

Candace is an initiative-taking, results-oriented manager with a proven track record of success in establishing strategic partnerships and overseeing complex business operations. With a deep understanding of both the construction and janitorial industries, she excels at project execution, revenue growth, and ensuring total organizational compliance with municipal mandates.

Key Qualifications & Contract Relevance

- **Environmental Stewardship:** As a certified **Sustainable Landscape Management (SLM) Professional**, she ensures that cleaning and maintenance protocols for the Town's parks and trailheads adhere to "Born Green" ecological standards.
- **Compliance & Risk Management:** Her technical background in **OSHA 30** and **DOT** regulations ensures that BIO's safety protocols meet the rigorous demands of public sector work.
- **Strategic Liaison:** Expert in managing client relationships and ensuring satisfaction through clear communication and proactive problem-solving.

Experience Highlights

- **Strategic Partnerships Manager, Synergy Construction Services (2024–Present)**
 - Played a key role in securing and managing the **Glendale Event Center** renovation project (\$351,961.31).
 - Collaborated with project teams to ensure timely delivery of high-value infrastructure improvements.
- **Strategic Partnerships Manager, BIO-Janitorial Service, Inc. (2024–Present)**
 - Develops and implements partnership strategies to drive market reach and vendor alignment.
 - Cultivates relationships with key stakeholders, including clients, vendors, and industry partners to optimize service delivery.

- **Business Owner/Operations Manager (Previous)**
 - Successfully managed all operational aspects of a small business, including sales, finance, and customer service, demonstrating strong entrepreneurial and management skills.

Technical Certifications & Training

Candace holds a diverse range of technical and safety certifications that support BIO's multidisciplinary approach to facility stewardship.

Certification	Issuing Body	Specialized Scope
SLM Professional	Sustainable Landscape Mgmt.	Eco-friendly landscape & facility protocols
OSHA 30-Hour	OSHA	Advanced construction & facility safety
Class A CDL	DOT (Hazmat/Tankers/Doubles)	Hazardous material handling & logistics
Motor Vehicle Inspector	New York State Certified	Equipment and vehicle safety compliance
ALCP Student	ALCA Certified	Arizona Landscape Contractor Professional

Technical Skills

- **Project Management:** Clean Smarts™, QuickBooks, and Adobe Creative Cloud.
- **Strategic Growth:** Business Development and Stakeholder Alignment.
- **Operational Expertise:** Critical Thinking, Compliance Diligence, and Technical Problem-Solving.

Gloria Piepho | Business Manager

businessmanager@biojanitorial.com | 623-931-6216 | Glendale, AZ

Role for the Town of Fountain Hills: Gloria serves as the **Fiscal Controller**. She is responsible for municipal invoicing, contract financial compliance, and ensuring total fiscal transparency. She manages the Town's account reconciliations and provides the strategic financial reporting necessary to support long-term facility decision-making.

Professional Summary

Gloria is a highly experienced Business Manager with expertise in financial management, accounting, operational oversight, and risk assessment. She has a proven track record of successfully managing large-scale municipal contracts, ensuring absolute compliance with financial requirements while fostering strong client stewardship.

Key Qualifications & Contract Relevance

- **Municipal Fiscal Specialist:** Expert in managing financial operations for high-value government contracts, including the \$4M annual operations at BIO.
- **Audit & Transparency:** Specializes in variance analysis and account reconciliation, ensuring that the Town's billing is 100% accurate and audit-ready.
- **Risk Mitigation:** Skilled in identifying operational challenges and implementing corrective actions to reduce costs and optimize service efficiency.

Experience Highlights

- **Business Manager / Controller, BIO-Janitorial Service, Inc. (2023–Present)**
 - Manages all financial operations, including budgeting, invoicing, and payroll for a \$4M annual operation.
 - Ensures 100% compliance with client specifications and regulatory standards.
 - Utilizes **Clean Smarts™** data to correlate labor hours with financial reporting, providing the Town with a transparent view of resource allocation.
- **Business Manager, Synergy Construction Services, LLC (2023–Present)**
 - Directed daily operations for construction and maintenance projects, ensuring adherence to strict budgets and timelines.
 - Developed and implemented safety protocols in compliance with OSHA standards.

Technical Skills

- Financial Management, Budgeting, & Payroll Processing.
- Contract Compliance, Auditing, & Variance Analysis.
- Proficient in QuickBooks, Microsoft Office Suite, and Clean Smarts™ software.

Veronica Chavez | HR / Payroll Manager (Corporate)

hr@biojanitorial.com | 623-931-6216 | Glendale, AZ

Role for the Town of Fountain Hills: Veronica serves as the **Security & Safety Compliance Lead**. Her primary responsibility for the Town is managing the **W-2 workforce vetting process**, specifically ensuring that all staff assigned to the **Sheriff's Office** and Town Hall meet the rigorous background, drug-testing, and security clearance requirements.

Professional Summary

Veronica is a highly skilled HR and Payroll Manager with expertise in administrative management, labor coordination, and general office operations. She has a proven ability to manage complex labor ordering and ensure 100% compliance with wage floor requirements and federal/state labor laws.

Key Qualifications & Contract Relevance

- **Workforce Vetting:** Oversees the onboarding and background verification for over 150 employees, ensuring a reliable and secure workforce for municipal clients.
- **Labor Coordination:** Expert in scheduling and labor ordering, ensuring that the Town's facilities are always staffed according to the agreed-upon SOW.
- **Compliance Authority:** Ensures 100% adherence to FLSA, OSHA, and wage floor standards, mitigating legal and operational risk for the Town.

Experience Highlights

- **HR Manager - Payroll, BIO-Janitorial Service, Inc. (2024–Present)**
 - Manages payroll and labor coordination for a large, diverse workforce.
 - Ensures all employees meet the strict security vetting required for high-security environments like the Police and Fire Departments.
- **Payroll Specialist, Mariscos Bahia (2021–2023)**
 - Managed high-volume payroll processing and implemented new technologies to streamline operations.

Education & Certifications

- **Phoenix Community College:** Certificates in HR Management, Accounting, General Business, and Tax Preparation.
- **Arizona School of Real Estate:** Coursework in real estate principles and practices.

Technical Skills

- Payroll Management & Labor Coordination.
- Federal and State Labor Law Compliance (FLSA/OSHA).
- Staff Onboarding and Security Vetting.

BIO-Janitorial Service, Inc.

2.4. Project Approach for Janitorial Services: Town of Fountain Hills

Project ID: RFP-2026-001



Candace Anne
3-26-2026

Table of Contents

2.4. Project Approach..... 3

 A. Methodology for Required Services 3

 Contract Management & Partnering 3

 Customer Service & Quality Control..... 4

 Scheduling & Staff Management..... 5

 B. Alternate Approach: The "Asset Guardian" Model 6

 Rationale 6

 The Alternate Methodology 6

 Coordination with Town Representatives 6

 C. Strategic Comparison: BIO vs. Franchise Incumbent 7

 Feature 7

 BIO-Janitorial Service, Inc. 7

 Franchise Aggregators 7

 Business Model 7

 Workforce 7

 Transparency..... 7

 Asset Security..... 7

 Communication..... 7

 D. Introductory Investment 7

 E. Consumables Management Plan 7



2.4. Project Approach

BIO-Janitorial Service, Inc. (BIO) utilizes a **"Stewardship-First"** methodology specifically engineered for the high-traffic, diverse asset profile of the Town of Fountain Hills. Our approach replaces the "management-heavy" franchise model with **Sophisticated Simplicity**—leveraging owner-led accountability and real-time data to ensure 100% operational reliability.

A. Methodology for Required Services

BIO's execution strategy is centered on three pillars:



Contract Management & Partnering

Our management philosophy is built on the principle of **Permanent Accountability**. By removing the layers of a national franchise, we ensure that the Town of Fountain Hills has a direct line to the decision-makers who are personally invested in the success of the contract.

- **Flat Management Structure:** We eliminate the "franchisor middleman," providing Town leadership with direct, 24/7 access to our CEO and Operations Manager. This allows for immediate decision-making and rapid escalation, ensuring that urgent needs are addressed in minutes, not days.
- **Resource Readiness:** To support a seamless transition and long-term stability, we maintain a **\$400,000 readiness line of credit**. This financial strength guarantees the immediate mobilization of additional staff, specialized equipment, or emergency supplies as the Town's needs evolve or in the event of unforeseen crises.

- **Quarterly Stewardship Reviews:** We move beyond simple "status updates" by conducting formal, data-driven stewardship reviews with Town Facilities staff. These sessions focus on aligning our services with the Town's long-term goals, reviewing asset health via our digital audit trails, and identifying proactive maintenance strategies to maximize budget efficiency.

Customer Service & Quality Control

BIO-Janitorial Service, Inc. (BIO) replaces the traditional, reactive cleaning model with a proactive **Quality Management System** centered on digital transparency and standardized performance metrics.



Clean Smarts™ Ecosystem:

We replace vulnerable manual paper logs with **GPS-verified truth**.

The Town of Fountain Hills receives a live digital audit trail for every shift.

For high-priority sites like the **Sheriff's Office** and remote **trailheads**, our technicians are required to upload time-stamped "Before/After" photos.

This ensures that the Town is not just paying for time, but for documented results.



APPA Level 2 Standards:

We benchmark all Town spaces against **APPA Level 2 (Ordinary Tidiness)**.

This standard provides a consistent, clinically clean baseline across all 59,000 square feet of Town property.

Our internal inspections focus on the removal of dust, grit, and germs, ensuring that surfaces are not just "neat," but sanitized and preserved.



Joint Performance Audits:

BIO prioritizes monthly joint site-walks with Town Facilities designees.

This "partnership-walk" creates a collaborative environment where quality expectations are aligned in real-time.

Any punch-list items identified during these walks are logged into our digital system and resolved within 24 hours, with photo proof of the correction sent to the Town's representative.

Scheduling & Staff Management

BIO-Janitorial Service, Inc. (BIO) ensures operational reliability through a combination of cutting-edge attendance verification and a professionally vetted, internal workforce. We eliminate the uncertainty of subcontracted labor by maintaining direct control over every shift and every technician.

GPS-Verified Accountability:

- Our technicians utilize the **Clean Smarts™** mobile platform for mandatory GPS-fenced check-ins.
- The system is geographically "locked," preventing any employee from clocking in unless they are physically within the designated perimeter of a Town facility.
- This provides the Town with absolute, data-driven proof of attendance for every scheduled shift, from the Town Hall to the most remote park restrooms.

100% W-2 Workforce:

- We do not utilize independent contractors, tiered subcontractors, or "owner-operators" for routine custodial work.
- Our staff consists entirely of internal professionals who are direct employees of our C Corporation.
- This model allows us to maintain a consistent team habituated to the **high-security background vetting** and behavioral standards required for sensitive environments like the **Sheriff's Office** and **Town Hall**.

"Born Green" Training:

- Every technician undergoes a rigorous certification process in BIO's proprietary **"Born Green"** protocols.
- This training is not merely about product selection; it is a comprehensive curriculum on non-toxic, bleach-free disinfection.
- This specialized expertise is critical for protecting the sensitive desert ecosystems surrounding the **Adero Canyon** and **Golden Eagle Trailheads**, ensuring that our cleaning activities never introduce harmful chemical runoff into the Town's protected lands.

B. Alternate Approach: The "Asset Guardian" Model

Rationale

Standard janitorial contracts focus purely on aesthetics—emptying trash and mopping floors. BIO-Janitorial Service, Inc. proposes an alternate **"Asset Guardian"** approach that leverages our position as the parent company to a **KB-1 Dual Building Contractor (ROC 353599)**. This model transitions the custodial team from a simple service provider to a high-level facility protection unit.

The Alternate Methodology

- **Technical Eyes and Ears:** During nightly rotations, our custodial leads are trained to function as a frontline inspection team. They are equipped to identify and log structural or mechanical anomalies—such as minor plumbing leaks, unusual HVAC vibrations/noises, or failing door hardware—directly into the **Clean Smarts™** dashboard.
- **Proactive Reporting:** These anomalies are instantly flagged for Town Facilities Representatives. This "early warning system" is designed for fiscal preservation; by identifying a **\$50 leak today**, we prevent a **\$5,000 flood** and potential facility closure tomorrow.

Coordination with Town Representatives



- **Unified Dashboard:** To prevent "information silos," all **Asset Guardian** alerts are funneled through the same **Clean Smarts™** portal used for standard janitorial audits. This ensures Town Facilities staff have a single, coordinated stream of information regarding both cleanliness and structural health.
- **Real-Time Escalation:** Our system is programmed for tiered urgency. In the event of a critical finding (e.g., a burst pipe at the Library or a security breach at the Sheriff's Office), the platform triggers an **immediate SMS and email alert** to the Town's designated Emergency POC and BIO's Operations Manager simultaneously. This automated coordination ensures our guaranteed **60-minute rapid response** is initiated without delay.

C. Strategic Comparison: BIO vs. Franchise Incumbent

Feature	BIO BIO-Janitorial Service, Inc.	Franchise Aggregators
Business Model	Direct Owner-Operated C Corp	National Franchise Middleman
Workforce	100% W-2 Professionals	Independent "Owner-Operators"
Transparency	GPS-Verified Truth & Photo Audits	Manual Work Order Logs
Asset Security	KB-1 Licensed Infrastructure Oversight	General Surface Management
Communication	Direct Access to Principals	Regional Franchise Manager



D. Introductory Investment

BIO-Janitorial is so confident in our service that we are willing to provide the first month at our own expense to prove our value.

E. Consumables Management Plan

Since the Town is providing the trash liners, toilet paper and paper towels and soap, we propose a **Waste Reduction Audit**. BIO staff will monitor and report on supply usage to ensure products aren't being wasted or stolen. This saves Town of Fountain Hills money *outside* of our hourly rate, which makes us more valuable than a cheaper competitor.

BIO-Janitorial is so confident in our service that we are willing to provide the ***first month at our own expense*** to prove our value.

Introductory Investment Period	Hourly Rate	Notes
Month 1	\$ -	No charge
Months 2-12	\$ 24.81	
Full Year Average	\$ 22.74	
Subcontractor Fees	\$ -	N/A

2.5. Pricing-BIO

Recurring Monthly Services

TYPE	SERVICE LOCATION (LINE ITEM)	Key Team Member(s)	STAFF CLASS	SERVICE FREQUENCY	HOURS / DAY	HOURS / WEEK	HOURS / MONTH	HOURS / YEAR	RATE / HOUR	WEEKLY SUBTOTAL	MONTHLY SUBTOTAL	YEARLY SUBTOTAL
Civic	Town Hall (Admin/Offices)	Project Staff	Custodial Tech	4x per Week	3:30:00	14:00:00	60:40:00	728:00:00	\$ 24.81	\$ 347.34	\$ 1,505.14	\$ 18,061.68
Civic	Sheriff's Office (MCSO)	Project Staff	Custodial Tech	Every Service/ carpet M-W-F	1:00:00	7:00:00	30:20:00	364:00:00	\$ 24.81	\$ 173.67	\$ 752.57	\$ 9,030.84
Civic	Community Center	Project Staff	Custodial Tech	5x per Week	5:30:00	27:30:00	119:10:00	1430:00:00	\$ 24.81	\$ 682.28	\$ 2,956.53	\$ 35,478.30
Civic	Town Library	Project Staff	Custodial Tech	1x per Week	3:00:00	3:00:00	13:00:00	156:00:00	\$ 24.81	\$ 74.43	\$ 322.53	\$ 3,870.36
Office	Street Yard Office	Project Staff	Custodial Tech	1x per Week	0:40:00	0:40:00	2:53:20	34:40:00	\$ 24.81	\$ 16.54	\$ 71.67	\$ 860.08
Park	Fountain Park - North	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
Park	Fountain Park - West	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
Park	Fountain Park - South	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
Park	Fountain Park - East	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
Park	Four Peaks Park - North	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
Park	Four Peaks - Playground	Project Staff	Custodial Tech	7x per Week	0:55:00	6:25:00	27:48:20	333:40:00	\$ 24.81	\$ 159.20	\$ 689.86	\$ 8,278.27
Park	Golden Eagle Park (Main)	Project Staff	Custodial Tech	7x per Week	1:15:00	8:45:00	37:55:00	455:00:00	\$ 24.81	\$ 217.09	\$ 940.71	\$ 11,288.55
Park	Desert Vista Park	Project Staff	Custodial Tech	7x per Week	1:00:00	7:00:00	30:20:00	364:00:00	\$ 24.81	\$ 173.67	\$ 752.57	\$ 9,030.84
Trail	Adero Canyon Trailhead	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
Trail	Golden Eagle Trailhead	Project Staff	Custodial Tech	7x per Week	0:40:00	4:40:00	20:13:20	242:40:00	\$ 24.81	\$ 115.78	\$ 501.71	\$ 6,020.56
TOTALS					21:30:00	107:00:00	463:40:00	5564:00:00		\$ 2,654.67	\$ 11,503.57	\$ 138,042.84
ALL	EVERY	Project Managers	Management / Supervision	7x per Week (On call 24 hours a day)	8.00	56.00	196.00	2352.00				

TYPE	RATE / UNIT	UNIT OF MEASURE	DETAILS
Porter On Call Cleaning Service	\$ 55.50	HOUR	1 hour minimum charge
Carpet Cleaning	\$ 0.10	SQUARE FOOT	\$310.00 minimum charge per service
Hard Floor (LVT) Floor Cleaning	\$ 0.15	SQUARE FOOT	\$310.00 minimum charge per service
Concrete Floor Cleaning	\$ 0.25	SQUARE FOOT	\$310.00 minimum charge per service
Machine Scrub Tile	\$ 0.25	SQUARE FOOT	\$310.00 minimum charge per service
Scrub & Recoat VCT Flooring	\$ 0.30	SQUARE FOOT	\$310.00 minimum charge per service
Strip & Refinish VCT Flooring	\$ 0.35	SQUARE FOOT	\$310.00 minimum charge per service
Buff or Polish Hard Floor	\$ 0.05	SQUARE FOOT	\$310.00 minimum charge per service
Window Cleaning Service	\$ 1,285.00	SERVICE	Includes Community Center (interior & exterior) - Town Hall (exterior) - Library (exterior) - Street Yard Office (exterior)



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Public Works
Prepared by: Justin Weldy, Public Works Director
Staff Contact Information: Phone: 480-816-5133
Email: jweldy@fountainhillsaz.gov

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Regarding the purchase of a (Ditch Witch) vacuum excavator from The Charles Machine Works, Inc., through Sourcewell Master Agreement No. 091125.

Staff Summary (background)

In June 2018, Town Council approved the purchase of a vacuum excavator to support utility locating, street sign installation, and other maintenance activities. The unit was specified based on staffing levels, operational demands, and workload requirements at that time.

The current vacuum excavator is one of the smallest units available, with a debris tank capacity of approximately 100 gallons. Since its acquisition, the workload and operational demands placed on the equipment have increased substantially. The unit is currently utilized by multiple divisions, including Streets, Parks, and Facilities, resulting in reduced operational efficiency, limited capacity, and frequent trips to the Street Yard for disposal of excavated materials.

While the existing unit remains operational, staff has determined that its size and capacity are better suited for Parks and irrigation maintenance activities. Upon acquisition of a larger replacement unit, the existing vacuum excavator will be reassigned to the Parks Division where it can continue to provide value while meeting operational needs more effectively. Rather than surplus the existing unit, staff recommends retaining the asset and assigning it to the Parks Division, where it will continue to support irrigation maintenance and landscape operations.

The Public Works Department requires a larger, heavy-duty vacuum excavator to safely expose underground utilities (potholing) and perform soft-dig excavations associated with street sign installations, irrigation repairs, utility maintenance, and other public infrastructure projects.

Vacuum excavation technology significantly reduces the risk of damaging underground utilities when compared to conventional excavation methods. The equipment utilizes pressurized water and high-capacity vacuum systems to safely expose buried infrastructure while minimizing restoration costs, service interruptions, and worker safety risks. The use of non-destructive excavation methods is consistent with industry best practices and utility damage prevention standards.

In addition to utility locating and soft-dig operations, the proposed unit will serve a dual

purpose by supporting catch basin cleaning, pothole maintenance activities, and stormwater system maintenance. The increased debris tank capacity and enhanced vacuum performance will improve operational efficiency, reduce travel time associated with material disposal, and allow staff to complete projects more quickly and effectively.

Staff solicited pricing through the Sourcewell Cooperative Purchasing Program utilizing Sourcewell Master Agreement No. 091125. Cooperative purchasing contracts are competitively solicited and awarded through a nationally recognized procurement process that satisfies Arizona procurement requirements.

Utilizing the Sourcewell contract allows the Town to leverage nationally negotiated pricing while avoiding the time and expense associated with conducting a separate formal solicitation. Staff estimates that utilizing the cooperative purchasing agreement will save several months in procurement time and administrative costs while ensuring the Town receives competitively priced equipment through a publicly solicited and awarded contract.

The proposed purchase from The Charles Machine Works, Inc. (Ditch Witch) is in an amount not to exceed \$148,850.43.

The purchase will be funded using available FY 2026 Street Fund savings generated through value engineering initiatives, staff-performed work originally planned for contractors, and other departmental cost-control measures. No additional appropriations are requested.

The use of these savings demonstrates the Public Works Department's commitment to fiscal stewardship by reinvesting operational efficiencies into equipment that will improve service delivery, reduce future operating costs, and increase productivity across multiple departments.

The purchase of a larger vacuum excavator will improve operational efficiency, enhance worker safety, reduce the risk of utility strikes, and expand the Town's ability to perform critical maintenance and construction activities in-house. Reassigning the existing unit to the Parks Division will maximize the value of the Town's existing assets while ensuring each department has equipment appropriately sized for its operational needs.

Funding the purchase through FY 2026 Street Fund savings allows the Town to address a critical equipment need without requesting additional budget appropriations while continuing to provide efficient and cost-effective services to the community.

Related Ordinance, Policy or Guiding Principle

- Town Procurement Policy and Cooperative Purchasing Authority
- Asset Management and Infrastructure Maintenance
- Fiscal Stewardship and Efficient Use of Public Resources
- Public Safety and Utility Damage Prevention Best Practices

Risk Analysis

Failure to approve this purchase may result in continued operational inefficiencies, increased risk of utility damage during excavation activities, higher maintenance costs, and reduced ability to perform work in-house. Approval mitigates these risks while improving productivity, safety, and service delivery using existing budgeted funds.

Recommendation(s) by Board(s) or Commission(s)

N/A

Staff Recommendation(s)**Suggested Motion**

MOVE TO APPROVE the purchase of one Ditch Witch vacuum excavator from The Charles Machine Works, Inc. through Sourcewell Master Agreement No. 091125 in an amount not to exceed \$148,850.43 and authorize the Town Manager to execute all necessary purchase documents.

FISCAL IMPACT

Fiscal Impact: \$148,850.43.

Budget Reference: FY26 Streets Fund

Funding Source: N/A

ATTACHMENTS

- | | |
|----|---|
| 1. | UNDERLYING SOURCEWELL AGREEMENT |
| 2. | QUOTE Charles Machine Works, Inc. (Ditch Witch) |

**MASTER AGREEMENT #091125****CATEGORY: Public Utility Equipment with Related Accessories and Supplies****SUPPLIER: The Charles Machine Works, Inc.**

This Master Agreement (Agreement) is between Sourcewell, a Minnesota service cooperative located at 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and The Charles Machine Works, Inc., 1959 West Fir Ave., Perry, OK 73077 (Supplier).

Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) offering a Cooperative Purchasing Program to eligible participating government entities.

Under this Master Agreement entered with Sourcewell, Supplier will provide Included Solutions to Participating Entities through Sourcewell's Cooperative Purchasing Program.

**Article 1:
General Terms**

The General Terms in this Article 1 control the operation of this Master Agreement between Sourcewell and Supplier and apply to all transactions entered by Supplier and Participating Entities. Subsequent Articles to this Master Agreement control the rights and obligations directly between Sourcewell and Supplier (Article 2), and between Supplier and Participating Entity (Article 3), respectively. These Article 1 General Terms control over any conflicting terms. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

- 1) **Purpose.** Pursuant to Minnesota law, the Sourcewell Board of Directors has authorized a Cooperative Purchasing Program designed to provide Participating Entities with access to competitively awarded cooperative purchasing agreements. To facilitate the Program, Sourcewell has awarded Supplier this cooperative purchasing Master Agreement following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.
- 2) **Intent.** The intent of this Master Agreement is to define the roles of Sourcewell, Supplier, and Participating Entity as it relates to Sourcewell's Cooperative Purchasing Program.
- 3) **Participating Entity Access.** Sourcewell's Cooperative Purchasing Program Master Agreements are available to eligible public agencies (Participating Entities). A Participating Entity's authority to access Sourcewell's Cooperative Purchasing Program is determined through the laws of its respective jurisdiction.
- 4) **Supplier Access.** The Included Solutions offered under this Agreement may be made available to any Participating Entity. Supplier understands that a Participating Entity's use of this Agreement is at the Participating Entity's sole convenience. Supplier will educate its sales and service forces about Sourcewell eligibility requirements and required documentation. Supplier will be responsible for ensuring sales are with Participating Entities.

- 5) **Term.** This Agreement is effective upon the date of the final signature below. The term of this Agreement is four (4) years from the effective date. The Agreement expires at 11:59 P.M. Central Time on April 9, 2030, unless it is cancelled or extended as defined in this Agreement.
- a) **Extensions.** Sourcewell and Supplier may agree to up to three (3) additional one-year extensions beyond the original four-year term. The total possible length of this Agreement will be seven (7) years from the effective date.
- b) **Exceptional Circumstances.** Sourcewell retains the right to consider additional extensions as required under exceptional circumstances.
- 6) **Survival of Terms.** Notwithstanding the termination of this Agreement, the obligations of this Agreement will continue through the performance period of any transaction entered between Supplier and any Participating Entity before the termination date.
- 7) **Scope.** Supplier is awarded a Master Agreement to provide the solutions identified in RFP 091125 to Participating Entities. In Scope solutions include:
1. Sourcewell is seeking proposals for Public Utility Equipment with Related Accessories and Supplies including, but not limited to:
 - a. Chassis-mounted, trailer-mounted, and self-propelled (wheel or track):
 - i. Aerial lifts, towers, buckets, and platforms of all types, such as telescopic, articulated, mast, boom, etc.;
 - ii. Digger derricks;
 - iii. Cable placing, pulling, and tensioning equipment; and,
 - iv. Directional drills, trenchless excavation equipment, thrust and boring machines, soil piercing tools, trenchers, rock wheels, and pile drivers.
 - b. Accessories, supplies, replacement parts, and services; utility locating equipment; related to the offering of the solutions in subsections 1. a. above.
- 8) **Included Solutions.** Supplier's Proposal to the above referenced RFP is incorporated into this Master Agreement. Only those Solutions included within Supplier's Proposal and within Scope (Included Solutions) are included within the Agreement and may be offered to Participating Entities.
- 9) **Indefinite Quantity.** This Master Agreement defines an indefinite quantity of sales to eligible Participating Entities.
- 10) **Pricing.** Pricing information (including Pricing and Delivery and Pricing Offered tables) for all Included Solutions within Supplier's Proposal is incorporated into this Master Agreement.
- 11) **Not to Exceed Pricing.** Suppliers may not exceed the prices listed in the current Pricing List on file with Sourcewell when offering Included Solutions to Participating Entities. Participating Entities may request adjustments to pricing directly from Supplier during the negotiation and execution of any transaction.
- 12) **Open Market.** Supplier's open market pricing process is included within its Proposal.

13) Supplier Representations:

- i) **Compliance.** Supplier represents and warrants it will provide all Included Solutions under this Agreement in full compliance with applicable federal, state, and local laws and regulations.
- ii) **Licenses.** As applicable, Supplier will maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of Supplier's business with Participating Entities. Participating Entities may request all relevant documentation directly from Supplier.
- iii) **Supplier Warrants.** Supplier warrants that all Included Solutions furnished under this Agreement are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Solutions are suitable for and will perform in accordance with the ordinary use for which they are intended.

14) **Bankruptcy Notices.** Supplier certifies and warrants it is not currently in a bankruptcy proceeding. Supplier has disclosed all current and completed bankruptcy proceedings within the past seven years within its Proposal. Supplier must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the term of this Agreement.

15) **Debarment and Suspension.** Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Agreement. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time during the term of this Agreement.

16) **Provisions for non-United States federal entity procurements under United States federal awards or other awards (Appendix II to 2 C.F.R § 200).** Participating Entities that use United States federal grant or other federal funding to purchase solutions from this Agreement may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Section, all references to "federal" should be interpreted to mean the United States federal government. The following list applies when a Participating Entity accesses Supplier's Included Solutions with United States federal funds.

- i) **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all agreements that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

ii) **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must comply with all applicable Davis-Bacon Act provisions.

iii) **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Agreement. Supplier certifies that during the term of an award for all Agreements by Sourcwell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

iv) **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier

certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

v) **CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387).** Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Agreement it will comply with applicable requirements as referenced above.

vi) **DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

vii) **BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352).** Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

viii) **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

ix) **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

x) **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

xi) **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

xii) **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

xiii) **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

xiv) **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Agreement or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Agreement or any purchase by an authorized user.

xv) **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. § 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Agreement or any purchase by a Participating Entity.

xvi) **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

xvii) **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

xviii) **U.S. EXECUTIVE ORDER 13224.** The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

xix) **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.** To the extent applicable, Supplier certifies that during the term of this Agreement it will comply with applicable requirements of 2 C.F.R. § 200.216.

xx) **DOMESTIC PREFERENCES FOR PROCUREMENTS.** To the extent applicable, Supplier certifies that during the term of this Agreement, Supplier will comply with applicable requirements of 2 C.F.R. § 200.322.

Article 2: Sourcewell and Supplier Obligations

The Terms in this Article 2 relate specifically to Sourcewell and its administration of this Master Agreement with Supplier and Supplier's obligations thereunder.

- 1) **Authorized Sellers.** Supplier must provide Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers which may complete transactions of Included Solutions offered under this Agreement. Sourcewell may request updated information in its discretion, and Supplier agrees to provide requested information within a reasonable time.
- 2) **Product and Price Changes Requirements.** Supplier may request Included Solutions changes, additions, or deletions at any time. All requests must be made in writing by submitting a Sourcewell Price and Product Change Request Form to Sourcewell. At a minimum, the request must:
 - Identify the applicable Sourcewell Agreement number;
 - Clearly specify the requested change;
 - Provide sufficient detail to justify the requested change;
 - Individually list all Included Solutions affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
 - Include a complete restatement of Pricing List with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Included Solutions offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Agreement and will be incorporated by reference.

- 3) **Authorized Representative.** Supplier will assign an Authorized Representative to Sourcewell for this Agreement and must provide prompt notice to Sourcewell if that person is changed. The Authorized Representative will be responsible for:
 - Maintenance and management of this Agreement;
 - Timely response to all Sourcewell and Participating Entity inquiries; and
 - Participation in reviews with Sourcewell.

Sourcewell's Authorized Representative is its Chief Procurement Officer.

- 4) **Performance Reviews.** Supplier will perform a minimum of one review with Sourcewell per agreement year. The review will cover transactions to Participating Entities, pricing and terms, administrative fees, sales data reports, performance issues, supply chain issues, customer issues, and any other necessary information.
- 5) **Sales Reporting Required.** Supplier is required as a material element to this Master Agreement to report all completed transactions with Participating Entities utilizing this Agreement. Failure to provide complete and accurate reports as defined herein will be a material breach of the Agreement and Sourcewell reserves the right to pursue all remedies available at law including cancellation of this Agreement.
- 6) **Reporting Requirements.** Supplier must provide Sourcewell an activity report of all transactions completed utilizing this Agreement. Reports are due at least once each calendar quarter (Reporting Period). Reports must be received no later than 45 calendar days after the end of each calendar quarter. Supplier may report on a more frequent basis in its discretion. Reports must be provided regardless of the amount of completed transactions during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Sourcewell Participating Entity Account Number;
- Transaction Description;
- Transaction Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Transaction was invoiced/sale was recognized as revenue by Supplier.

If collected by Supplier, the Report may include the following fields as available:

- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;

- 7) **Administrative Fee.** In consideration for the support and services provided by Sourcewell, Supplier will pay an Administrative Fee to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. Supplier will include its Administrative Fee within its proposed pricing. Supplier may not directly charge Participating Entities to offset the Administrative Fee.
- 8) **Fee Calculation.** Supplier's Administrative Fee payable to Sourcewell will be calculated as a stated percentage (listed in Supplier's Proposal) of all completed transactions utilizing this Master Agreement within the preceding Reporting Period. For certain categories, a flat fee may be proposed. The Administrative Fee will be stated in Supplier's Proposal.
- 9) **Fee Remittance.** Supplier will remit fee to Sourcewell no later than 45 calendar days after the close of the preceding calendar quarter in conjunction with Supplier's Reporting Period obligations

defined herein. Payments should note the Supplier's name and Sourcewell-assigned Agreement number in the memo; and must be either mailed to Sourcewell above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions.

- 10) **Noncompliance.** Sourcewell reserves the right to seek all remedies available at law for unpaid or underpaid Administrative Fees due under this Agreement. Failure to remit payment, delinquent payments, underpayments, or other deviations from the requirements of this Agreement may be deemed a material breach and may result in cancellation of this Agreement and disbarment from future Agreements.
- 11) **Audit Requirements.** Pursuant to Minn. Stat. § 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell and the Minnesota State Auditor for a minimum of six years from the end of this Agreement. Supplier agrees to fully cooperate with Sourcewell in auditing transactions under this Agreement to ensure compliance with pricing terms, correct calculation and remittance of Administrative Fees, and verification of transactions as may be requested by a Participating Entity or Sourcewell.
- 12) **Assignment, Transfer, and Administrative Changes.** Supplier may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Sourcewell. Such consent will not be unreasonably withheld. Sourcewell reserves the right to unilaterally assign all or portions of this Agreement within its sole discretion to address corporate restructurings, mergers, acquisitions, or other changes to the Responsible Party and named in the Agreement. Any prohibited assignment is invalid. Upon request Sourcewell may make administrative changes to agreement documentation such as name changes, address changes, and other non-material updates as determined within its sole discretion.
- 13) **Amendments.** Any material change to this Agreement must be executed in writing through an amendment and will not be effective until it has been duly executed by the parties.
- 14) **Waiver.** Failure by Sourcewell to enforce any right under this Agreement will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.
- 15) **Complete Agreement.** This Agreement represents the complete agreement between the parties for the scope as defined herein. Supplier and Sourcewell may enter into separate written agreements relating specifically to transactions outside of the scope of this Agreement.
- 16) **Relationship of Sourcewell and Supplier.** This Agreement does not create a partnership, joint venture, or any other relationship such as employee, independent contractor, master-servant, or principal-agent.
- 17) **Indemnification.** Supplier must indemnify, defend, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell, directly arising out of any act or omission in the performance of this Agreement by the Supplier or its agents or employees, to the extent caused by Supplier; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in design,

condition, or performance of Included Solutions under this Agreement. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

18) **Data Practices.** Supplier and Sourcewell acknowledge Sourcewell is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. As it applies to all data created and maintained in performance of this Agreement, Supplier may be subject to the requirements of this chapter.

19) **Grant of License.**

a) **During the term of this Agreement:**

i) **Supplier Promotion.** Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising, promotional materials, and informational sites for the purpose of marketing Sourcewell's Agreement with Supplier.

ii) **Sourcewell Promotion.** Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising, promotional materials, and informational sites for the purpose of marketing Supplier's Agreement with Sourcewell.

b) **Limited Right of Sublicense.** The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, partners, or agents (collectively "Permitted Sublicensees") in advertising, promotional, or informational materials for the purpose of marketing the Parties' relationship. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this section by any of their respective sublicensees.

c) **Use; Quality Control.**

i) Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

ii) Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Each party may make written notice to the other regarding misuse under this section. The offending party will have 30 days of the date of the written notice to cure the issue or the license/sublicense will be terminated.

d) **Termination.** Upon the termination of this Agreement for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

20) **Venue and Governing law between Sourcewell and Supplier Only.** The substantive and procedural laws of the State of Minnesota will govern this Agreement between Sourcewell and Supplier. Venue

for all legal proceedings arising out of this Agreement between Sourcewell and Supplier will be in court of competent jurisdiction within the State of Minnesota. This section does not apply to any dispute between Supplier and Participating Entity. This Agreement reserves the right for Supplier and Participating Entity to negotiate this term to within any transaction documents.

- 21) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Agreement is capable of being performed, it will not be affected by such determination or finding and must be fully performed.
- 22) **Insurance Coverage.** At its own expense, Supplier must maintain valid insurance policy(ies) during the performance of this Agreement with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:
- a) **Commercial General Liability Insurance.** Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Agreement.
 - \$1,500,000 each occurrence Bodily Injury and Property Damage
 - \$1,500,000 Personal and Advertising Injury
 - \$2,000,000 aggregate for products liability-completed operations
 - \$2,000,000 general aggregate
 - b) **Certificates of Insurance.** Prior to execution of this Agreement, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Agreement. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or provided to in an alternative manner as directed by Sourcewell. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. Failure of Supplier to maintain the required insurance and documentation may constitute a material breach.
 - c) **Additional Insured Endorsement and Primary and Non-contributory Insurance Clause.** Supplier agrees to list Sourcewell, including its officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.
 - d) **Waiver of Subrogation.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Agreement or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured

retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

- e) **Umbrella/Excess Liability/SELF-INSURED RETENTION.** The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

23) **Termination for Convenience.** Sourcewell or Supplier may terminate this Agreement upon 60 calendar days' written notice to the other Party. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

24) **Termination for Cause.** Sourcewell may terminate this Agreement upon providing written notice of material breach to Supplier. Notice must describe the breach in reasonable detail and state the intent to terminate the Agreement. Upon receipt of Notice, the Supplier will have 30 calendar days in which it must cure the breach. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

Article 3: Supplier Obligations to Participating Entities

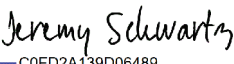
The Terms in this Article 3 relate specifically to Supplier and a Participating Entity when entering transactions utilizing the General Terms established in this Master Agreement. Article 1 General Terms control over any conflict with this Article 3. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

- 1) **Quotes to Participating Entities.** Suppliers are encouraged to provide all pricing information regarding the total cost of acquisition when quoting to a Participating Entity. Suppliers and Participating Entities are encouraged to include all cost specifically associated with or included within the Suppliers proposal and Included Solutions within transaction documents.
- 2) **Shipping, Delivery, Acceptance, Rejection, and Warranty.** Supplier's proposal may include proposed terms relating to shipping, delivery, inspection, and acceptance/rejection and other relevant terms of tendered Solutions. Supplier and Participating Entity may negotiate final terms appropriate for the specific transaction relating to non-appropriation, shipping, delivery, inspection, acceptance/rejection of tendered Solutions, and warranty coverage for Included Solutions. Such terms may include, but are not limited to, costs, risk of loss, proper packaging, inspection rights and timelines, acceptance or rejection procedures, and remedies as mutually agreed include notice requirements, replacement, return or exchange procedures, and associated costs.
- 3) **Applicable Taxes.** Participating Entity is responsible for notifying supplier of its tax-exempt status and for providing Supplier with any valid tax-exemption certification(s) or related documentation.

- 4) **Ordering Process and Payment.** Supplier's ordering process and acceptable forms of payment are included within its Proposal. Participating Entities will be solely responsible for payment to Supplier and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.
- 5) **Transaction Documents.** Participating Entity may require the use of its own forms to complete transactions directly with Supplier utilizing the terms established in this Agreement. Supplier's standard form agreements may be offered as part of its Proposal. Supplier and Participating Entity may complete and document transactions utilizing any type of transaction documents as mutually agreed. In any transaction document entered utilizing this Agreement, Supplier and Participating Entity must include specific reference to this Master Agreement by number and to Participating Entity's unique Sourcewell account number.
- 6) **Additional Terms and Conditions Permitted.** Participating Entity and Supplier may negotiate and include additional terms and conditions within transaction documentation as mutually agreed. Such terms may supplant or supersede this Master Agreement when necessary and as solely determined by Participating Entity. Sourcewell has expressly reserved the right for Supplier and Participating Entity to address any necessary provisions within transaction documents not expressly included within this Master Agreement, including but not limited to transaction cancellation, dispute resolution, governing law and venue, non-appropriation, insurance, defense and indemnity, force majeure, and other material terms as mutually agreed.
- 7) **Subsequent Agreements and Survival.** Supplier and Participating Entity may enter into a separate agreement to facilitate long-term performance obligations utilizing the terms of this Master Agreement as mutually agreed. Such agreements may provide for a performance period extending beyond the full term of this Master Agreement as determined in the discretion of Participating Entity.
- 8) **Participating Addendums.** Supplier and Participating Entity may enter a Participating Addendum or similar document extending and supplementing the terms of this Master Agreement to facilitate adoption as may be required by a Participating Entity.

Sourcewell

The Charles Machine Works, Inc.

Signed by:

C0FD2A139D06489...
 By: _____
 Jeremy Schwartz
 Title: Chief Procurement Officer
 Date: 4/13/2026 | 7:30 PM CDT

DocuSigned by:

D8D1CE4FD784455...
 By: _____
 Kevin Smith
 Title: Vice President Ditch Witch Division3
 Date: 4/8/2026 | 3:05 AM CDT

RFP 091125 - Public Utility Equipment with Related Accessories and Supplies

Vendor Details

Company Name: The Charles Machine Works, Inc.

Does your company conduct business under any other name? If yes, please state: Ditch Witch

Address: 1959 W. Fir Ave.
Perry, OK 73077

Contact: Mike Spillars

Email: mike.spillars@ditchwitch.com

Phone: 580-572-2390

HST#: 73-0660844

Submission Details

Created On: Thursday July 24, 2025 08:41:42

Submitted On: Wednesday September 03, 2025 16:12:22

Submitted By: Mike Spillars

Email: mike.spillars@ditchwitch.com

Transaction #: c251ea46-a85b-462d-b7ed-ad3fa3c02bd1

Submitter's IP Address: 147.243.204.142

Specifications

Table 1: Proposer Identity & Authorized Representatives (Not Scored)

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Table 1 Specific Instructions. Sourcewell requires identification of all parties responsible for providing Solutions under a resulting master agreement(s) (Responsible Supplier). Proposers are strongly encouraged to include all potential Responsible Suppliers including any corporate affiliates, subsidiaries, D.B.A., and any other authorized entities within a singular proposal. All information required under this RFP must be included for each Responsible Supplier as instructed. Proposers with multiple Responsible Supplier options may choose to respond individually as distinct entities, however each response will be evaluated individually and only those proposals recommended for award may result in a master agreement award. Unawarded entities will not be permitted to later be added to an existing master agreement through operation of Proposer's corporate organization affiliation.

Line Item	Question	Response *	
1	Provide the legal name of the Proposer authorized to submit this Proposal.	The Charles Machine Works, Inc.	*
2	In the event of award, is this entity the Responsible Supplier that will execute the master agreement with Sourcewell? Y or N.	Yes	*
3	Identify all subsidiaries, D.B.A., authorized affiliates, and any other entity that will be responsible for offering and performing delivery of Solutions within this Proposal (i.e. Responsible Supplier(s) that will execute a master agreement with Sourcewell).	Ditch Witch, Hammerhead Trenchless, Subsite Electronics, American Augers	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	FPKMXH62LPU7	*
5	Provide your NAICS code applicable to Solutions proposed.	33120	
6	Proposer Physical Address:	1959 West Fir Ave. Perry, OK 73077	*
7	Proposer website address (or addresses):	www.ditchwitch.com www.subsite.com www.hammerheadtrenchless.com www.americanaugers.com	*
8	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Kevin Smith Vice President, Ditch Witch Division 1959 West Fir Ave. Perry, OK 73077 ksmith@ditchwitch.com PH: 920 648 4820	*
9	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Mike Spillars Corporate Accounts Sales Manager 1959 West Fir Ave. Perry, OK 73077 mike.spillars@ditchwitch.com PH: 580-370-0965	*
10	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Jon McLarty Inside Sales Rep. 1959 West Fir Ave. Perry, OK 73077 jon.mclarty@ditchwitch.com PH: 580-370-6131	*

Table 2A: Financial Viability and Marketplace Success (50 Points, applies to Table 2A and 2B)

Line Item	Question	Response *	
-----------	----------	------------	--

11	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested Solutions.	The Charles Machine Works, best known for its flagship brand Ditch Witch®, operated as a privately held company from its founding in 1949 until its acquisition by The Toro Company in early 2019. Today, it operates as the Ditch Witch Division of Toro. Ditch Witch® is a recognized leader in underground construction equipment, serving a diverse range of markets including utilities, pipeline and telecom contractors, rental providers, and government and infrastructure agencies. Our comprehensive product portfolio includes trenchers, vibratory plows, compact utility equipment, utility inspection systems, directional drills, vacuum excavation units, HammerHead® pneumatic tools, and Subsite® utility locating and HDD guidance electronics. We pioneered the first compact utility line trencher nearly seven decades ago and continue to drive innovation in underground construction. Our success is built on a robust dealer network—widely regarded as an industry benchmark—which enables us to deliver consistent value and support to our customers. Our vision is to provide the most effective solutions for success in the global underground construction market, anchored by an exceptional customer experience. Our operations are guided by four core values: Integrity – Above all else. Pride – In our work, both individually and collectively. Care – For our families, coworkers, communities, customers, and the world around us. Pioneering Spirit – Driving innovation and continuous improvement. The Ditch Witch® brand embodies over 75 years of innovation, craftsmanship, and leadership. Founded by Ed Malzahn in response to a direct customer need, our legacy is rooted in solving real-world jobsite challenges. Every product we design reflects a deep understanding of the demands of underground construction—where efficiency drives profitability, and profitability drives success. Our commitment to partnership is more than a promise; it's a principle that informs every interaction and every solution we deliver. Since its inception, The Charles Machine Works has remained focused on serving the underground utility market, continuously expanding our capabilities in directional drilling, underground boring, and subsurface electronic technologies. All Ditch Witch products are manufactured and shipped from our facilities in Perry, Oklahoma. The majority of our employees—from both Ditch Witch and Subsite—live in or near the Perry community, fostering a strong sense of pride in our products and mission. Our long-standing market presence is built on enduring relationships between our factory, dealers, and end users. To support these connections, our Regional Managers spend at least two weeks each month in the field, working directly with dealers and engaging with customers to ensure their needs are met. Please note: While this response focuses on The Charles Machine Works, Ditch Witch, Subsite, and HammerHead brands, certain topics—such as financial statements, market share, and sustainability awards—may reference The Toro Company. We have made every effort to provide accurate and brand-specific information wherever possible.
12	What are your company's expectations in the event of an award?	We are fully committed to expanding our Ditch Witch®, HammerHead®, and Subsite® Utility business through the Sourcwell cooperative purchasing contract. Our nationwide Ditch Witch dealer network has consistently demonstrated excellence in promoting the contract to government, education, and nonprofit organizations across their respective territories. This proven success reinforces our confidence in Sourcwell as a strategic partner. Looking ahead, we anticipate steady, incremental growth in both equipment sales and complementary product offerings. Our goal is to deliver industry-leading utility equipment through the most respected dealer network, supported by the most effective cooperative purchasing agreement available. We will continue to collaborate with Sourcwell to educate our internal teams, dealer partners, and end users on the most efficient and compliant pathways for procurement. We believe the Sourcwell contract represents the optimal solution for public-sector entities seeking streamlined access to high-performance utility equipment. Our longstanding participation in cooperative purchasing has yielded consistent year-over-year growth, and we expect this trend to continue through our partnership with Sourcwell.

13	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. DO NOT PROVIDE ANY TAX INFORMATION OR PERSONALLY IDENTIFIABLE INFORMATION.	Charles Machine Works—encompassing the Ditch Witch®, Subsite®, American Augers®, and HammerHead® brands—is a wholly owned subsidiary of The Toro Company. As part of Toro's Infrastructure segment, we continue to strengthen our position as a leading global provider of innovative solutions for the underground utility industry. The Toro Company is a publicly traded Fortune 1000 organization (NYSE: TTC) with a global footprint spanning more than 125 countries. Through a robust network of professional distributors, dealers, and retailers, Toro offers a diverse portfolio of brands that complement and reinforce the company's financial strength and market leadership. For fiscal year 2024, The Toro Company reported full-year net sales of \$4.58 billion, up from \$4.55 billion in fiscal 2023. Within the Professional segment—which includes Ditch Witch—fourth-quarter net sales reached \$913.9 million, representing a 10.3% increase over the same period in the prior year. "We delivered our 15th consecutive year of net sales growth in what remained an extremely dynamic environment," said Richard M. Olson, Chairman and CEO. "This was a testament to the strength of our portfolio and the disciplined execution by our team of talented employees and channel partners." The Toro Company's family of brands includes Toro, Ditch Witch, Exmark, Spartan, BOSS, Ventrac, American Augers, Trencor, Subsite, HammerHead, Radius, Perrot, Hayter, Unique Lighting Systems, Irritrol, and Lawn-Boy. Together, these brands drive innovation and build lasting relationships rooted in trust, integrity, and performance—ensuring long-term financial success and stability. As a subsidiary of Toro, Charles Machine Works benefits from this financial foundation, enabling us to: - Fulfill large-scale cooperative purchasing contracts with confidence - Invest in continuous product innovation and customer support - Maintain scalable manufacturing operations in Perry, Oklahoma - Support a high-performing dealer network with national reach We remain committed to delivering reliable, high-quality equipment and service to Sourcwell members and other public-sector entities, backed by the resources and resilience of The Toro Company. Attached is our publicly released financial report for fiscal 2024.
14	What is your US market share for the Solutions that you are proposing?	As a wholly owned subsidiary of The Toro Company—a publicly traded Fortune 1000 organization—we are unable to disclose specific market share data. However, Ditch Witch® has consistently maintained a strong and healthy presence across all markets relevant to this proposal, including government, utility, infrastructure, and nonprofit sectors. Ditch Witch is widely recognized as a trusted and respected name in the underground utility industry. The brand has become so synonymous with trenching equipment that, much like "Kleenex" is to tissue, "Ditch Witch" is to the trencher. In many cases, customers refer to the equipment not by its category, but by our brand name—a testament to our legacy, reliability, and market leadership. This level of brand recognition reflects decades of innovation, customer trust, and consistent performance in the field. Our continued investment in product development, dealer support, and customer education ensures that Ditch Witch remains a preferred choice for underground utility solutions.
15	What is your Canadian market share for the Solutions that you are proposing?	As a wholly owned subsidiary of The Toro Company—a publicly traded Fortune 1000 organization—we are unable to disclose specific market share data. However, Ditch Witch® has consistently maintained a strong and healthy presence across all markets relevant to this proposal, including Canada.
16	Disclose all current and completed bankruptcy proceedings for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcwell if it enters a bankruptcy proceeding at any time during the pendency of this RFP evaluation.	Charles Machine Works, including its affiliated brands Ditch Witch®, Subsite®, American Augers®, and HammerHead®, affirms that there have been no bankruptcy proceedings involving the company. As a wholly owned subsidiary of The Toro Company—a publicly traded and financially stable organization—we maintain a strong legal and financial standing, ensuring our ability to meet all contractual obligations under the Sourcwell cooperative purchasing agreement.

17	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer the question that best applies to your organization, either a) or b). a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	a.) Charles Machine Works, Inc. (Subsite) is primarily classified as a manufacturer. b.) Charles Machine Works operates sales programs across North America through which our authorized dealer organization specialists prepare and deliver equipment to customers purchasing via cooperative agreements such as Sourcewell. Under this model, Sourcewell customers are invoiced directly by the manufacturer, and our dealers are compensated accordingly for their role in the sale and delivery process. Our dealers are independent entities that employ local sales and service professionals, ensuring responsive, community-based support. While dealer personnel are not employees of Charles Machine Works, Inc., they represent our products and values with deep expertise and professionalism. To further support our dealer network and end users, Ditch Witch® and Subsite® maintain a team of Regional Sales Managers and Service Managers who work closely with dealers and customers across all territories. These regional teams provide hands-on assistance with equipment selection, delivery coordination, training, and after-sale service—ensuring a seamless experience from procurement to operation. Notably, a significant percentage of our dealer personnel began their careers as employees at our manufacturing and corporate headquarters in Perry, Oklahoma. This shared history fosters a uniquely close and collaborative relationship between our company and our dealer network—one that is unmatched in the industry and rooted in mutual respect, product knowledge, and a shared commitment to customer success.	*
18	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	The Ditch Witch and Subsite family of products are designed and manufactured in the United States, meeting all applicable voluntary safety and environmental standards. These standards include ISO certifications, construction equipment regulations, and exhaust and evaporative requirements established by the Environmental Protection Agency (EPA) and the California Air Resources Board (CARB). The Charles Machine Works holds a manufacturer's license in its home state of Oklahoma, as well as a license to sell used vehicles. Additionally, we maintain licenses to sell vehicles in Arizona, California, Kentucky, Nebraska, Utah, Tennessee, Florida, and Ohio. For products sold with trailers, we hold both new and used trailer dealer licenses in the State of Oklahoma. Beyond the licenses held by The Charles Machine Works, all contracted Ditch Witch dealers possess the necessary licenses and certifications to sell and service The Charles Machine Works family of products within the states and provinces in which they operate independently. Furthermore, Ditch Witch and Subsite require their factory and dealer sales personnel to complete rigorous sales and service training through the Ditch Witch Certified Training Programs.	*
19	Disclose all current and past debarments or suspensions for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a debarment or suspension status any time during the pendency of this RFP evaluation.	Charles Machine Works, Inc. affirms that it has not been subject to any suspension or debarment proceedings within the past seven years. As a wholly owned subsidiary of The Toro Company, we maintain a strong record of compliance with all applicable federal, state, and local regulations. This standing reflects our commitment to ethical business practices, transparency, and long-term partnership with public-sector entities.	*

20	Describe any relevant industry awards or recognition that your company has received in the past five years.	Ditch Witch Awards (2020–2025) 2020 * “Twenty for 2020” Award, Landscape Business: SK3000 Full-Size Stand-On Skid Steer Named among the top 20 new landscaping products. * Editor's Choice Award, Green Industry Pros: SK3000 Full-Size Stand-On Skid Steer Recognized for its advanced design and operator-focused features. 2021 * Editor's Choice Award, Rental Magazine: SK3000 Full-Size Stand-On Skid Steer Celebrated as one of the top rental products of the year. * Abbot Most Innovative Product Award Finalist, NASTT: JT24 Horizontal Directional Drill Nominated for innovation in trenchless technology. 2022 * Innovative Iron Award, Compact Equipment: MT164 Microtrencher. Awarded for its ability to create clean, narrow trenches in a single pass. * Editor's Choice Award, Green Industry Pros: RT70 Ride-On Trencher Recognized for ergonomic design, improved operator comfort, and intuitive controls. * No-Dig Customer Appreciation Award. Celebrated for 30 years of leadership in trenchless technology. * Editor's Choice Award, Rental Magazine: SK900 Mini Stand-On Skid Steer Honored among the year's top products in the rental equipment market. 2023 * Top Introductions Award, Heavy Equipment Guide: AT120 Directional Drill Recognized for VAM technology that ensures correct torque levels and bore efficiency. * Editor's Choice Award, Rental Magazine: PT37 Ride-On Plow Trencher Selected as a “Rise to the Prize” winner for its multi-configuration flexibility. * Editor's Choice Award, Green Industry Pros: PT37 Ride-On Plow Trencher Ranked #13 among the Top 35 “Claim the Prize” award winners. * “Twenty for 2023” Award, Landscape Business: PT37 Ride-On Plow Trencher Honored for blending durability, usability, and a simplified mechanical design. * Abbot Most Innovative Product Award, NASTT: AT120 All-Terrain Directional Drill Awarded for innovation in new installations using trenchless technology. * Community Impact Award, Underground Construction: Water4 with Ditch Witch Recognized for providing clean water to over 1.6 million people and trenching 250,000 miles of pipeline across Africa using Ditch Witch equipment. 2024 * Editor's Choice Award, Rental Magazine: SK1750 Stand-On Skid Steer Recognized by ForConstructionPros for solving key customer needs with powerful new design features. * “Twenty for 2024” New Product Award, OPE+: SK1750 Stand-On Skid Steer Honored for its newly designed track system that offers better visibility, maneuverability, and a smoother ride.
----	---	---

21	What percentage of your sales are to the governmental sector in the past three years?	As a publicly traded company, our parent organization—The Toro Company—considers detailed customer and segment-specific revenue information confidential. However, in accordance with publicly available filings, we can provide the following summary from our Form 10-Q for the second quarter of fiscal year 2025 (ended May 2, 2025): Net sales for Subsite® by segment: 77% Professional 22.6% Residential 0.5% Other This distribution reflects Subsite's continued focus on professional-grade solutions for the underground utility industry, while maintaining a presence in residential and other markets. These figures underscore our commitment to serving a broad customer base with high-performance products and reliable support.	*
22	What percentage of your sales are to the education sector in the past three years?	As a publicly traded company, our parent organization—The Toro Company—considers detailed customer information confidential. However, in accordance with publicly available filings, we can provide the following revenue segmentation data from The Toro Company's Form 10-Q for the second quarter of fiscal year 2025 (ended May 2, 2025): Net sales for Ditch Witch® by segment: 77% Professional 22.6% Residential 0.5% Other This distribution reflects Ditch Witch's continued focus on professional-grade solutions for the underground utility industry, while maintaining a presence in residential and other markets. These figures underscore our commitment to serving a broad customer base with high-performance products and reliable support.	*
23	List all state, cooperative purchasing agreements that you hold. What is the annual sales volume for each of these agreement over the past three years?	The Sourcewell Public Utility Contract is the only cooperative purchasing agreement directly awarded to Charles Machine Works, Inc. This contract represents our premier partnership in the cooperative procurement space and is the sole agreement for which Ditch Witch® and Subsite® provide dedicated dealer training and actively engage in coordinated marketing efforts through our national dealer network. In addition to Sourcewell, our products are also available through HGACBuy and BuyBoard contracts. These agreements are administered by third-party entities that manage pricing, quoting, invoicing, and audit-related processes independently. While these channels offer access to our equipment, they do not involve direct contractual engagement with Charles Machine Works, nor do they receive the same level of integrated dealer support and promotional activity as our Sourcewell partnership. Please note: As a publicly traded company, The Toro Company considers detailed sales information for each contract to be confidential. We remain committed to transparency within the bounds of public disclosure requirements and regulatory compliance.	*
24	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Charles Machine Works, Inc. does not hold a General Services Administration (GSA) contract directly. However, similar to our participation in HGACBuy and BuyBoard, our products are available through a GSA contract administered by a third-party entity. This arrangement allows eligible government agencies to procure Ditch Witch®, Subsite®, American Augers®, and HammerHead® equipment through established federal purchasing channels. While we do not manage the GSA contract directly, we remain committed to supporting public-sector customers by ensuring product availability, responsive dealer support, and compliance with applicable procurement standards. Please note: As a publicly traded company, The Toro Company considers detailed sales information for each contract to be confidential. We remain committed to transparency within the bounds of public disclosure requirements and regulatory compliance.	*

Table 2B: References/Testimonials

Line Item 25. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Newport News	Natalie Minton	757-926-8721	*
Blue Valley School District 229 Olathe, KS	Mason McMurphey	913-239-4215	*
City of Cleveland, GA	Lee Wilson	706-865-2017	*

Table 3: Ability to Sell and Deliver Solutions (150 Points)

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	The Ditch Witch® factory maintains a robust national support infrastructure to serve Sourcewell members and other public-sector customers across North America. Our team includes: 8 Ditch Witch Regional Sales Managers 5 Product Specialists 4 Subsite® Electronics Regional Sales Managers 5 Regional Parts Managers Numerous marketing personnel dedicated to supporting our specialized dealership organization All factory representatives are based out of our headquarters in Perry, Oklahoma, but spend a minimum of two weeks per month traveling with dealers in their assigned territories. These field visits include joint customer calls with dealer sales teams across all market segments, including local and state government entities. This hands-on approach ensures consistent engagement, product expertise, and responsive support. Our authorized Ditch Witch dealers employ more than 250 professional salespersons across the United States and Canada. These local representatives are strategically positioned to serve Sourcewell members with personalized service, technical expertise, and timely delivery. There is no populated area in the U.S. or Canada that is not covered by a Ditch Witch dealer location—including remote regions such as Anchorage, Alaska. This extensive coverage, combined with our factory-direct support model, ensures that every Sourcewell member has access to knowledgeable personnel, reliable equipment, and a seamless procurement experience.	*
27	Describe the network of Authorized Sellers who will deliver Solutions, including dealers, distributors, resellers, and other distribution methods.	Charles Machine Works supports its product lines—Ditch Witch®, HammerHead®, and Subsite®—through an independent, specialized dealer organization that operates exclusively across North America. This network is 100% focused on the sales, service, and support of our equipment, ensuring that Sourcewell members and other public-sector customers receive expert guidance and responsive local assistance. The dealer network is composed of 28 independent dealer owners operating more than 150 branch locations throughout the United States and Canada. Within these locations, there are over 250 dedicated sales professionals and 250 parts specialists, all trained to provide comprehensive product support, technical expertise, and customer education. This structure enables us to deliver consistent, high-quality service across every region, with coverage that includes all major population centers—including remote areas such as Anchorage, Alaska. To support this proposal, we have included a detailed list of our dealer locations and a corresponding coverage map. This documentation illustrates our ability to serve Sourcewell members efficiently and reliably, regardless of geographic location.	*

28	Service force.	Charles Machine Works maintains a robust service infrastructure designed to ensure maximum uptime and customer satisfaction for Sourcewell members and other public-sector clients. In addition to our dedicated team of Service Support and Parts Support Managers located at our Perry, Oklahoma campus, our independent dealership organization employs over 600 trained service personnel across North America. Factory representatives and dealer service teams work in close coordination to deliver responsive, high-quality support throughout the equipment lifecycle. This collaborative model ensures that customers receive expert assistance with installation, maintenance, troubleshooting, and repairs—regardless of location. All authorized Ditch Witch® dealers are equipped with service crane trucks, enabling them to perform on-site service in 100% of the United States and Canada. If a unit cannot be transported, dealer technicians travel directly to the machine, minimizing downtime and maximizing productivity. This commitment to field-based service, combined with our extensive training programs and regional support structure, allows us to deliver unmatched customer care and operational reliability across every market segment.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Charles Machine Works, Inc. has established a streamlined and transparent order process to support Sourcewell members in procuring Ditch Witch® equipment efficiently and in full compliance with cooperative purchasing guidelines. The process is designed to ensure accurate pricing, timely delivery, and centralized administrative oversight: Equipment Specification Local Ditch Witch dealership sales personnel work directly with the Sourcewell member to properly spec equipment based on regional needs and application requirements. Quotation and Pricing The dealer submits the specifications to our internal Global Account team, which prepares a formal quote using Sourcewell contract pricing. Purchase Order Submission Once the Sourcewell member elects to proceed, the purchase order is made out to Charles Machine Works, Inc., ensuring direct manufacturer engagement. Order Fulfillment The authorized Ditch Witch dealer either places a factory order or fulfills the request from existing inventory, depending on availability and customer needs. Delivery Confirmation Upon delivery, the dealer submits a delivery receipt to the factory to confirm completion of the transaction. Billing and Dealer Compensation Charles Machine Works invoices the Sourcewell member directly and simultaneously compensates the dealer for the sale. This centralized system ensures that all Sourcewell purchase orders are processed directly through Charles Machine Works, allowing us to: - Guarantee contract-compliant pricing - Maintain accurate sales tracking - Generate timely quarterly reports for Sourcewell - Relieve dealers of administrative burdens related to invoicing and reporting Our corporate team in Perry, Oklahoma manages the entire process, providing consistency, accountability, and full visibility into Sourcewell-related transactions.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	As outlined in responses to Questions 25–28, Charles Machine Works maintains an extensive and specialized dealer network across North America. Each dealer branch is equipped with full-service shops, featuring specialized tools and diagnostic equipment designed to efficiently service and maintain Ditch Witch®, Subsite®, HammerHead®, and American Augers® machinery. Dealer locations work in close collaboration with our factory team to ensure customer equipment is repaired and returned to the job site as quickly and accurately as possible. While shop workload may influence turnaround times, our dealerships coordinate directly with factory service representatives to prioritize timely, high-quality repairs. Our long-standing success in the underground utility industry is rooted in a steadfast commitment to world-class service after the sale. A key example of this commitment is our Pro Technician Program, developed by the Ditch Witch organization. This comprehensive training initiative includes Bronze, Silver, and Gold certification levels, focusing exclusively on Ditch Witch products. The program ensures that our technicians are among the most knowledgeable and capable in the industry, equipped to deliver expert service and support. To further empower our customers, we offer a digital portal called My Ditch Witch, accessible via our website. Through this platform, customers can engage in self-guided training via Ditch Witch University, which includes: Operational and maintenance training modules Interactive parts diagrams Owner's manuals and service documentation All available at no cost to the customer This combination of factory-trained technicians, certified dealer personnel, and accessible digital resources ensures that Sourcewell members receive unmatched support throughout the lifecycle of their equipment.
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities.	Ditch Witch® proudly pledges to support customers across the United States and Canada with comprehensive service coverage and unwavering dedication to their success. As stated on our website: “At Ditch Witch, we don't just sell equipment. We pledge to be there when you need us—with a promise to help you be more productive, and a passion to help you be more profitable. We operate with a simple understanding: time is money.” With full dealer coverage throughout both countries, we are fully equipped to provide products and services to Sourcewell entities. Every authorized Ditch Witch dealer actively participates in the Sourcewell cooperative contract and views it as a strategic asset—ensuring that public-sector customers receive contract-compliant pricing, responsive support, and expert guidance. Our dealers are committed to delivering the highest level of service and support to all Sourcewell members, backed by factory-trained personnel, mobile service capabilities, and a shared mission to maximize customer productivity and profitability.
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Charles Machine Works proudly maintains complete dealer coverage across Canada, with 46 authorized dealer locations spanning 9 provinces. This extensive network ensures that Sourcewell members throughout Canada have full access to our products, services, and support infrastructure. Just as in the United States, every Canadian dealer location actively participates in the Sourcewell cooperative contract when the opportunity arises. These dealers view the Sourcewell agreement as a strategic asset and are committed to delivering the highest level of service and support to all Sourcewell members. Canadian dealers are held to the same rigorous standards as their U.S. counterparts. Each location is equipped with Service Crane Trucks, enabling technicians to reach even the most remote areas of Canada for on-site service and repairs. This capability ensures that public-sector customers receive timely, reliable support regardless of geography. Our unified North American dealer network reflects our commitment to consistent service quality, contract compliance, and customer satisfaction across all regions.

33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed agreement.	Charles Machine Works is fully committed to servicing all geographic areas of the United States and Canada. With an extensive network of authorized Ditch Witch® dealers strategically located across North America, we are equipped to reach every region—including remote and rural sectors—with reliable equipment delivery, service, and support. Coast-to-coast coverage guarantees that Sourcewell members and other public-sector entities receive consistent, high-quality service regardless of location. Our unified North American support model reflects our commitment to accessibility, reliability, and customer satisfaction.	*
34	Identify any account type of Participating Entity which will not have full access to your Solutions if awarded an agreement, and the reasoning for this.	.Charles Machine Works is committed to providing full access to our solutions across all Sourcewell member sectors, including government, education, and nonprofit organizations. As noted in Question 32, our extensive dealer network spans North America, enabling us to reach every geographic region with reliable product delivery, service, and support. Importantly, our ability to serve Sourcewell members is not restricted by participation in other cooperative contracts. While our products may be available through third-party-administered agreements such as HGACBuy, BuyBoard, and GSA, our Sourcewell contract remains our premier cooperative partnership. It is the only contract directly awarded to Charles Machine Works, and it receives dedicated support through dealer training, marketing, and centralized administrative oversight. This structure ensures that all Sourcewell members receive consistent, contract-compliant access to our full range of equipment and services—regardless of location or sector.	*
35	Define any specific requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Charles Machine Works affirms that there are no contract restrictions preventing Sourcewell members in Alaska or Hawaii from purchasing equipment under the Sourcewell cooperative agreement. Our dealer network and fulfillment processes are fully equipped to support customers in these regions. For equipment delivered to Alaska or Hawaii, additional freight charges will apply due to geographic logistics. These charges will be clearly itemized and included in the formal quote provided to the Sourcewell member prior to purchase. This approach ensures transparency, contract compliance, and full accessibility for Sourcewell members across all U.S. states and territories.	*
36	Will Proposer extend terms of any awarded master agreement to nonprofit entities?	Charles Machine Works affirms that contract terms under the Sourcewell cooperative agreement are fully extended to all eligible nonprofit entities that are Sourcewell members. This includes organizations operating in education, public health, infrastructure, and other qualifying sectors. Our dealer network is equipped to support nonprofit members with the same level of service, pricing, and responsiveness provided to government and educational institutions. We view nonprofit participation as a vital component of our Sourcewell partnership and are committed to ensuring equitable access to our products and services across all eligible member categories.	*

Table 4: Marketing Plan (100 Points)

Line Item	Question	Response *
-----------	----------	------------

37	Describe your marketing strategy for promoting this opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Charles Machine Works is committed to actively promoting and supporting the Sourcewell cooperative purchasing contract through a comprehensive, multi-tiered marketing and outreach strategy. This approach ensures that Sourcewell members are aware of the contract, understand its benefits, and can easily access our products and services. Dealer Network Engagement All authorized Ditch Witch®, Subsite®, and HammerHead® dealers are trained on the Sourcewell contract and view it as a strategic asset. Dealers incorporate Sourcewell messaging into their sales presentations, customer outreach, and regional marketing efforts. Twice annually, the Ditch Witch factory distributes the Sourcewell member list by Area of Primary Responsibility (APR), enabling dealer sales teams to identify and engage directly with Sourcewell members within their territories. Proactive Outreach In collaboration with our dealers, we use the Sourcewell member list to pursue new business opportunities with current members. Additionally, we leverage the list to encourage nearby SLED (State, Local, and Education) agencies that are not yet members to join Sourcewell—often by highlighting neighboring municipalities that are already participating. This peer-based approach has proven effective in building trust and easing procurement concerns. Public Relations and Digital Marketing We will issue a formal press release announcing our Sourcewell partnership, which will be published in our online Press Room at ditchwitch.com/press-room. Additional marketing efforts will be conducted through our corporate website and digital channels, including email campaigns, social media, and dealer microsites. Our “My Ditch Witch” portal also includes contract-related training and procurement guidance. Sales Team Engagement Our corporate and dealer sales teams are fully immersed in the Sourcewell sales process. We strongly encourage participation in Sourcewell University training events and host dedicated breakout sessions on Sourcewell at our National Sales Meetings. Ensuring that our dealer sales managers are confident and well-versed in the contract is one of our most effective strategies, as they engage directly with Sourcewell customers on a daily basis. Reporting and Oversight Our internal team in Perry, Oklahoma tracks all Sourcewell-related activity and provides quarterly reports to Sourcewell. This centralized oversight ensures contract compliance, accurate reporting, and continuous improvement of our outreach efforts. This integrated marketing strategy reflects our commitment to maximizing contract visibility, supporting our dealer network, and delivering consistent value to Sourcewell members across North America.
38	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Ditch Witch leverages a robust suite of digital marketing tools to enhance customer engagement, support new product launches, and reinforce our leadership in the underground utility industry. Our strategy includes: Social media platforms: Facebook, Twitter, LinkedIn, YouTube, and Instagram Smart display advertising and paid search Marketing automation and social sentiment tracking These tools allow us to maintain a strong and responsive presence in the marketplace, while delivering targeted messaging to Sourcewell members and prospects. Our website is designed to be both informative and interactive, offering educational content and tools that empower customers to make informed decisions. A key feature of our digital ecosystem is the My Ditch Witch portal, which enables customers to track equipment and monitor fleet performance in real time—enhancing operational efficiency and visibility.

39	In your view, what is Sourcewell's role in promoting agreements arising out of this RFP? How will you integrate a Sourcewell-awarded agreement into your sales process?	Charles Machine Works looks forward to a strong and collaborative partnership with Sourcewell in promoting our newly awarded cooperative purchasing contract. To help build early awareness and momentum, we respectfully request that Sourcewell announce the award via an email blast to all current members and share the news across its social media platforms. Throughout the duration of the agreement, we encourage Sourcewell to take a leadership role in promoting cooperative procurement and showcasing its awarded vendors. Specifically, we request that Ditch Witch® be included in all relevant Sourcewell publications, advertisements, and promotional materials that highlight available contract holders. We also support Sourcewell maintaining a visible presence at key government and industry trade shows to promote its procurement solutions and vendor partnerships. Ditch Witch has invested significant effort over the years to integrate Sourcewell into our sales processes across our dealer network. Today, Sourcewell is second nature to our dealer sales teams. The Sourcewell sales process is documented within our dealer portal and supported by onboarding materials, including two dedicated PowerPoint presentations that outline how to use Sourcewell as a selling tool and guide internal sales procedures. We also actively promote Sourcewell University and Sourcewell Sales Accelerator training opportunities. These resources are distributed to our internal Regional Sales Managers and local dealer locations, encouraging enrollment for both new and experienced salespeople. These training sessions serve as valuable tools for reinforcing contract knowledge, improving sales effectiveness, and ensuring consistent messaging across our organization. This integrated approach reflects our commitment to maximizing the value of the Sourcewell partnership and ensuring that public-sector customers receive the full benefit of cooperative purchasing.	*
40	Are your Solutions available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Due to the highly specialized and configurable nature of our equipment, Charles Machine Works does not offer a traditional e-procurement ordering system. Each Ditch Witch®, Subsite®, HammerHead®, and American Augers® model requires a customized quote based on application, geographic conditions, and customer-specific needs. Soil types, climate, and jobsite variables vary significantly across the United States and Canada, making personalized consultation essential. To ensure accurate specifications and optimal performance, we rely on our local dealer sales professionals to advise Sourcewell members on the best equipment solutions for their environment. This hands-on approach allows us to deliver tailored recommendations and maintain the high standards of productivity and reliability our customers expect. While a full e-commerce solution is not feasible given the complexity of our product offerings, we do actively participate in the Sourcewell Marketplace to the highest level possible. Through this platform, we provide visibility into available solutions and facilitate engagement with Sourcewell members seeking cooperative purchasing options. Our commitment to personalized service, combined with strategic Marketplace participation, ensures that Sourcewell members receive the right equipment, the right way—every time.	*

Table 5A: Value-Added Attributes (100 Points, applies to Table 5A and 5B)

Line Item	Question	Response *
-----------	----------	------------

41	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Charles Machine Works is committed to ensuring that Sourcewell members receive comprehensive operator and equipment training at no additional cost. Our training program is designed to promote safety, maximize productivity, and empower users with the knowledge needed to operate and maintain their equipment effectively. Delivery-Based Training At the time of equipment delivery, our authorized Ditch Witch® dealers provide hands-on operator and equipment training free of charge. This includes a walk-through of key features, operational best practices, and safety protocols tailored to the specific machine and jobsite conditions. Documentation and Digital Resources Each unit is delivered with a complete owner's manual, and customers also have access to service and parts manuals via our website. These resources are designed to support ongoing maintenance and troubleshooting. My Ditch Witch Portal and Ditch Witch University Through the My Ditch Witch portal at www.ditchwitch.com, customers can access Ditch Witch University, a robust online training platform offering: - Operational and service videos customized to specific equipment models - Unlimited user access per entity, allowing every operator to follow a personalized training path - Manager-level tracking tools to monitor participation and ensure operators are fully trained before using equipment All digital training resources are provided free of charge to Sourcewell members. In-Person Maintenance Training In-person maintenance training is available on an as-needed basis and is conducted by either our authorized Ditch Witch dealers or factory representatives. This initial training is also provided at no cost to Sourcewell members and can be scheduled to accommodate customer timelines and operational needs. This multi-channel training approach ensures that Sourcewell members are equipped with the tools, knowledge, and support necessary to operate safely and efficiently from day one.
----	---	--

42	Describe any technological advances that your proposed Solutions offer.	Ditch Witch® is the only manufacturer in our industry that designs and builds the majority of components used in our equipment in-house. This vertically integrated systems approach allows us to engineer and manufacture key elements—including directional drills, drill pipe, downhole tools, and electronic guidance systems—at our own facilities in Perry, Oklahoma, rather than sourcing them externally. This model provides a distinct advantage in quality control, innovation, and responsiveness. By owning the entire process, we can implement design improvements, address field challenges, and maintain consistent product performance more effectively than competitors who rely on third-party suppliers. Technological Advancements Built into Ditch Witch Equipment Integrated Electronic Guidance Systems Proprietary technology designed and manufactured in-house for precise directional drilling and enhanced operator control. Advanced Drill Pipe Engineering Custom-designed drill pipe optimized for durability, torque transmission, and seamless compatibility with Ditch Witch drills. Downhole Tool Innovation Purpose-built tools engineered for maximum performance across diverse soil conditions and jobsite environments. Smart Hydraulic Systems Intelligent hydraulic controls that improve efficiency, reduce fuel consumption, and enhance machine responsiveness. Real-Time Machine Monitoring Fleet tracking and performance analytics available through the My Ditch Witch portal, enabling proactive maintenance and operational insights. Operator-Centric Controls Ergonomically designed control stations with intuitive interfaces to reduce fatigue and improve productivity. Noise and Vibration Reduction Technologies Engineered systems that minimize environmental impact and enhance operator comfort during extended use. Telematics and Remote Diagnostics Integrated telematics for remote monitoring, diagnostics, and support—reducing downtime and improving service response times. Automated Maintenance Alerts Built-in systems that notify operators and fleet managers of upcoming service needs, helping extend equipment life and reduce unplanned downtime. Enhanced Safety Features Machine-integrated safety systems including emergency shutoffs, operator presence controls, and visibility enhancements. These innovations reflect our commitment to keeping Sourcewell members safe, productive, and supported with industry-leading technology and service.
----	---	--

43	Describe any “green” initiatives that relate to your company or to your Solutions, and include a list of the certifying agency for each.	Charles Machine Works has long been committed to responsible environmental practices, and our efforts have been further strengthened since joining The Toro Company. Toro’s purpose—“to help our customers enrich the beauty, productivity, and sustainability of the land”—aligns seamlessly with our values and operations. Full details of Toro’s sustainability initiatives can be found in Toro’s Sustainability Endures report, which outlines the company’s long-term commitment to environmental responsibility across its global operations. That report is provided in the attachments. At our manufacturing facility in Perry, Oklahoma, we have implemented a wide range of “green” initiatives, including: Recycling Programs Regular recycling of cardboard, glass, plastic, and scrap metal. Waste Recovery Capture and recycling of waste oil and ethylene glycol. Pallet Recycling Wooden pallets are sent to the city recycling center for shredding and reuse. Eco-Friendly Cleaning Supplies All janitorial products used in our facility are environmentally safe. Green Coolants NC machines and lathes utilize non-petroleum-based, environmentally friendly coolants. Energy-Efficient Lighting Low-consumption fluorescent lighting throughout the plant; all parking lot lights upgraded to LED. Geothermal HVAC Systems Three buildings are heated and cooled using ground-source heat pumps for enhanced energy efficiency. Energy Management Systems Toro has implemented a centralized energy management system to monitor and optimize energy consumption across production facilities. Digital Documentation Transition from paper manuals to online digital versions to reduce paper usage and waste. Innovative Pipe Repair Technology Our HammerHead® brand introduced a revolutionary Blue Light LED system for “cure-in-place” pipe repairs—extending the life of aging infrastructure and significantly reducing landfill waste. These initiatives reflect our commitment to sustainability, operational efficiency, and environmental responsibility—values that are deeply embedded in our manufacturing processes and product innovation.
44	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the Solutions included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Ditch Witch® and our parent company, The Toro Company, have been consistently recognized for innovation, sustainability, and product excellence across the construction, landscaping, and environmental sectors. These honors reflect our commitment to engineering leadership, responsible manufacturing, and customer-focused solutions. Notable Awards and Achievements 2020 Editor’s Choice Award – Green Industry Pros Ditch Witch SK3000 Full-Size Stand-On Skid Steer Honored for its innovation, performance, and impact on the green industry. 2019 Editor’s Choice Award – Green Industry Pros Ditch Witch SK3000 Recognized for continued excellence and industry-leading design. 2020 Recycling Demand Champion – Association of Plastic Recyclers (APR) The Toro Company Celebrated for its commitment to increasing the use of recycled plastics in manufacturing and supporting a circular economy. WaterSense® Excellence Award – U.S. Environmental Protection Agency The Toro Company Received for the fifth consecutive year in 2020, honoring leadership in water efficiency through education and the development of certified water-saving products. These accolades underscore our dedication to advancing the industry through sustainable innovation and high-performance equipment. We remain committed to delivering value to Sourcewell members through products that meet the highest standards of quality and environmental stewardship.

45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Our Commitment to Quality, Innovation, and Customer Success At Ditch Witch®, we don't just sell equipment—we make a pledge to our customers: "We pledge to be there when you need us. With a promise to help you be more productive. A passion to help you be more profitable. And the simple understanding that time is money." This philosophy is embedded in every aspect of our operations—from product design to post-sale support. A Systems Approach to Manufacturing Ditch Witch is the only manufacturer in our industry that designs and builds the majority of its equipment components in-house. This vertically integrated model allows us to engineer and produce key elements—including directional drills, drill pipe, downhole tools, and electronic guidance systems—at our own facilities in Perry, Oklahoma. Unlike competitors who rely on third-party suppliers, our systems approach enables us to: Ensure superior product quality through component-level design integration Rapidly implement design improvements in response to customer feedback Deliver a cohesive and reliable product experience across all equipment platforms For example, we manufacture not only our directional drills, but also the drill pipe and tracking electronics that accompany them—ensuring seamless compatibility and performance. We also produce our own tanks and trailers for vacuum excavation systems, further differentiating us from manufacturers who outsource critical components. Industry-Leading Service and Support Our commitment to excellence extends beyond manufacturing. The Ditch Witch Pro Technician Program is a cornerstone of our service strategy. Developed in-house, this comprehensive training initiative includes Bronze, Silver, and Gold certification levels, each focused exclusively on Ditch Witch products. This ensures that our factory-trained technicians are among the most knowledgeable and capable in the industry—delivering expert service and support that keeps our customers productive and operational. Together, our manufacturing philosophy and service infrastructure reflect a deep commitment to customer success, product reliability, and long-term value for Sourcewell members and public-sector partners.
----	---	---

Table 5B: Value-Added Attributes

Line Item	Question	Certification	Offered	Comment
46	Select any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation and a listing of dealerships, HUB partners or re-sellers if available. Select all that apply.		☐ Yes ☒ No	While we do not have any dealers that we are aware of with certifications in these categories we do have two dealers that have a female majority ownership and several others with non-majority female ownership. We also have other dealers that are veterans but are not certified as Veteran owned corporations. At The Toro Company and The Charles Machine Works, we are rooted in unity. Our focus is on nurturing an inclusive community where together everyone can thrive – our colleagues, customers, partners and communities. • How our team members embrace their strengths and leverage their unique experiences to address emerging challenges and drive purposeful innovation. • How we recognize the cultures and backgrounds of hard-working people who enrich our world with beauty and utility each day. • How we propel inclusivity within our industries, utilizing our longstanding history to create lasting generational impact. Our world advances through the vision of those who build, shape and care for it – and we're committed to elevating those voices to drive groundbreaking sustainable solutions. Together, we can cultivate a company culture and industry reputation that embodies collaboration and fosters an authentic sense of belonging for all.
47		Minority Business Enterprise (MBE)	☐ Yes ☒ No	Toro is an Equal Opportunity Employer. We consider all qualified applicants based on merit and do not discriminate on the basis of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), parental status, national origin, age, disability, genetic information, military service, or other non-merit-based factors. We are committed to creating a welcoming environment for all employees.
48		Women Business Enterprise (WBE)	☐ Yes ☒ No	NA - See Question 47
49		Disabled-Owned Business Enterprise (DOBE)	☐ Yes ☒ No	NA - See Question 47
50		Veteran-Owned Business Enterprise (VBE)	☐ Yes ☒ No	NA - See Question 47
51		Service-Disabled Veteran-Owned Business (SDVOB)	☐ Yes ☒ No	NA - See Question 47
52		Small Business Enterprise (SBE)	☐ Yes ☒ No	NA - See Question 47
53		Small Disadvantaged Business (SDB)	☐ Yes ☒ No	NA - See Question 47
54		Women-Owned Small Business (WOSB)	☐ Yes ☒ No	NA - See Question 47

Table 6A: Pricing (400 Points, applies to Table 6A and 6B)

Provide detailed pricing information in the questions that follow below.

Line Item	Question	Response *
-----------	----------	------------

55	Describe your payment terms and accepted payment methods.	Charles Machine Works, Inc. offers the following payment terms for purchases made under the Sourcewell cooperative contract: Net 30 payment terms apply to all invoiced transactions. We accept payment via check or ACH wire transfer. These terms are designed to align with standard public-sector procurement practices and ensure a smooth, transparent transaction process for Sourcewell members.	*
56	Describe any leasing or financing options available for use by educational or governmental entities.	Ditch Witch® Dealers offer a comprehensive suite of leasing and conditional finance programs designed to meet the diverse needs of Sourcewell members and public-sector customers. These programs provide flexible options for equipment acquisition while supporting budgetary planning and operational efficiency. Lease Terms and Structure Available lease durations: 24, 36, 48, and 60 months Lease index rates for 24-, 36-, and 48-month terms are based on the 3-, 4-, and 5-year published swap rates from the Board of Governors of the Federal Reserve System and are adjusted quarterly The standard lease offered by Ditch Witch Financial Services (DWFS) is a purchase option lease, not a fair market value lease Residual values are determined prior to contract execution, ensuring transparency and predictability Financial Services Provider Ditch Witch Financial Services (DWFS) operates as a private label group under the Bank of Montreal, offering trusted financial solutions backed by a leading North American financial institution. These leasing options are available through our authorized dealer network and are structured to support Sourcewell members with competitive terms, clear documentation, and responsive service.	*
57	Describe any standard transaction documents that you propose to use in connection with an awarded agreement (order forms, terms and conditions, service level agreements, etc.). Upload all template agreements or transaction documents which may be proposed to Participating Entities.	Charles Machine Works ensures a streamlined and transparent procurement experience for Sourcewell members. Our process is designed to maintain contract compliance, simplify transactions, and provide clear documentation at every step. Quotation Upon request, we will provide Sourcewell members with an authorized price quote for any Ditch Witch® product covered under the Sourcewell cooperative contract. Quotes are prepared by our internal Global Account team and reflect contract-compliant pricing. Purchase Order Acceptance We accept a standard Purchase Order from the Sourcewell member, made out to Charles Machine Works, Inc. This ensures direct engagement with the manufacturer and centralized contract oversight. Delivery and Documentation Once the unit is delivered by the local servicing dealer, the customer is asked to sign a delivery receipt, confirming that the product has been received as ordered. This receipt serves as official documentation of delivery and is submitted to the factory. Invoicing Following delivery confirmation, Charles Machine Works will issue a standard invoice to the Sourcewell member. Sample invoice copies are attached to this proposal for reference. This process ensures accurate pricing, proper documentation, and a consistent experience for Sourcewell members across all regions. Sample copies are attached.	*

58	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcwell participating entities for using this process?	At this time, Charles Machine Works does not accept Purchasing Card (P-Card) payments under the Sourcwell cooperative contract. However, we reserve the right to initiate acceptance of P-Cards at a future date, should we determine that this payment method aligns with our operational and customer service goals. We remain committed to providing flexible and compliant payment options for Sourcwell members and will evaluate P-Card acceptance as part of our ongoing contract support strategy.	*
59	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcwell discounted price) on all of the items that you want Sourcwell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Charles Machine Works utilizes a discount-from-MSRP pricing model for all products offered under the Sourcwell cooperative contract. A complete list of equipment and corresponding Manufacturer's Stated Retail Prices (MSRP) is attached to this proposal for reference. U.S. Pricing Sourcwell members in the United States receive contract pricing based on a percentage discount off MSRP, applied consistently across all eligible products. Canadian Pricing To account for customs fees, cross-border logistics, and associated costs, Sourcwell members in Canada will receive a discount that is 2% lower than the U.S. discount rate. This adjustment ensures transparent pricing while maintaining contract compliance and service coverage throughout Canada. Detailed price lists by model are included in the RFP submission to support accurate quoting and procurement planning. Attached are Price Lists by model. This is the most aggressive pricing that The Charles Machine Works, Inc. offers to Cooperative Procurement organizations, state purchasing entities, municipalities, universities or school districts.	*
60	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Under the Sourcwell cooperative purchasing contract, Ditch Witch® is offering discounts of up to 10% off the Manufacturer's Stated Retail Price (MSRP) on all eligible equipment, including: Ditch Witch®, HammerHead®, American Augers® and Subsite® Electronics. These discounts are outlined in the attached pricing sheets, which detail specific rates by model. In many cases, the Sourcwell contract pricing reflects more favorable terms than those offered to other customers, reinforcing our commitment to public-sector value and transparency. This pricing model ensures that Sourcwell members receive competitive, contract-compliant pricing across our full product portfolio, supported by our nationwide dealer network and factory-direct service infrastructure. This is the most aggressive pricing that The Charles Machine Works, Inc. offers to Cooperative Procurement organizations, state purchasing entities, municipalities, universities or school districts.	*

61	Describe any quantity or volume discounts or rebate programs that you offer.	Volume Pricing and Dealer Discretion Charles Machine Works considers all Sourcewell members to corporately qualify for high-volume pricing advantages under the awarded cooperative contract. As such, we offer best pricing up front on all Ditch Witch®, HammerHead®, American Augers®, and Subsite® equipment—eliminating the need for additional volume-based discounts or rebates. This approach ensures: Transparent and consistent pricing for all Sourcewell members Simplified procurement without the need for negotiation or tiered pricing structures Full alignment with Sourcewell's commitment to equitable access and contract compliance While our corporate pricing is standardized, local authorized dealers may, at their discretion, offer special pricing to remain competitive in their regional markets. Any such pricing will always remain below the Sourcewell contract price, ensuring that members continue to receive the most favorable terms available. This model reflects our commitment to fairness, simplicity, and value across all Sourcewell member sectors.	*
62	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "non-contracted items". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	Charles Machine Works recognizes that Sourcewell members may occasionally require accessories or complementary products not manufactured by Ditch Witch®, HammerHead®, American Augers®, or Subsite®. To support these needs, we offer a flexible approach to sourcing third-party items through our authorized dealer network. Local Dealer Sourcing Sourced products will be provided locally through the delivering dealer. The dealer will prepare a separate quote for the non-Ditch Witch item and, if approved by the customer, the sourced product quote will be bundled with the Sourcewell equipment quote for convenience. Customer Choice and Transparency Sourcewell members retain full discretion to: Accept the sourced product quote and proceed with a bundled purchase Decline the sourced item and purchase only the approved Sourcewell equipment Independently procure the sourced item from a brand or vendor of their choosing This approach ensures transparency, customer autonomy, and compliance with Sourcewell's cooperative purchasing guidelines. All sourced product pricing is handled at the dealer level and is not governed by the Sourcewell contract.	*
63	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Installation Charges for Optional Features Certain optional features on Ditch Witch® equipment may require professional installation by our authorized dealer network. When applicable, installation charges for these features will be: Clearly itemized on the Sourcewell customer's quote Fully disclosed prior to order confirmation Performed by trained technicians to ensure proper integration and performance This transparent approach ensures that Sourcewell members are fully informed of any additional costs associated with optional configurations and can make procurement decisions with confidence.	*

64	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight and Delivery Policy All products purchased under the Sourcewell cooperative contract are shipped from our manufacturing facility in Perry, Oklahoma to the local authorized Ditch Witch® dealer responsible for final delivery to the Sourcewell member. Freight Charges and Transparency A detailed freight matrix is attached, outlining current shipping rates to each geographic region of the United States and Canada. Freight charges are subject to change throughout the life of the contract to reflect market conditions and logistics updates. All freight charges are clearly itemized on the final quote provided to the Sourcewell customer prior to order placement, ensuring full transparency and informed decision-making. Freight to Hawaii and Alaska will be quoted separately on a case-by-case basis, accounting for regional logistics and delivery requirements. Dealer Delivery The local authorized dealer does not charge freight or delivery fees for final delivery from the dealership to the Sourcewell member. In certain instances, Sourcewell members may choose to take delivery from existing dealer inventory. Such inventory is subject to the same freight charges as new production orders shipped from the factory. This policy ensures consistent pricing, reliable delivery logistics, and a transparent procurement experience for Sourcewell members across all regions.
65	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Canada All products shipped to Sourcewell members in Canada are subject to freight charges as outlined in the attached freight matrix. These rates reflect current cross-border logistics and are adjusted to account for customs fees and associated import costs. Canadian freight rates are listed in response to Question #61 of this proposal. Freight charges for Canadian deliveries are clearly itemized on the final quote provided to the Sourcewell customer prior to order placement. Canadian pricing also reflects a 2% discount adjustment compared to U.S. pricing to accommodate international shipping and customs-related expenses. Hawaii Due to significant variability in shipping costs to Hawaii over the past 18 months, freight charges for deliveries to Sourcewell members in Hawaii will be quoted separately on a case-by-case basis. These quotes will reflect current market conditions and transportation logistics. All freight charges for Hawaiian deliveries will be clearly listed on the final quote prior to order placement. This targeted freight policy ensures transparency and accurate cost forecasting for Sourcewell members in both Canada and Hawaii. All freight charges will be listed on the final quote provided to all Sourcewell customers prior to their placement of the order to Ditch Witch.

66	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Pre-Delivery Inspection and Delivery Protocol All equipment provided under the Sourcewell cooperative contract will receive a comprehensive Pre-Delivery Inspection (PDI) performed by the authorized Ditch Witch® dealer prior to final delivery. This inspection ensures that each unit meets Ditch Witch's operational standards and is ready for immediate use. Multi-Point Inspection The PDI includes a multi-point inspection of key components to verify functionality, safety, and compliance with Ditch Witch specifications. This process ensures that the equipment is delivered in optimal working condition. Delivery Checklist and Customer Orientation At the time of delivery, the dealer will review a delivery checklist with the Sourcewell member to confirm that all essential items and procedures have been covered. This includes: Provision of an operator's manual for each machine Explanation of the standard limited warranty Contact information for dealer service and parts personnel Optional operator training, provided at delivery as needed This hands-on approach ensures that Sourcewell members are fully informed, supported, and equipped to operate their new equipment safely and effectively from day one.
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed agreement with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing.	To ensure full contract compliance and pricing integrity, Charles Machine Works has implemented a centralized quoting, ordering, and reporting process for all Sourcewell transactions. This structure removes the dealer from pricing decisions and guarantees that Sourcewell members receive accurate, contract-aligned pricing and documentation. Quoting All Sourcewell quotes are generated by the Ditch Witch® factory, not by independent dealers. Quotes are issued on an official Ditch Witch quote form (sample attached), ensuring consistency and contract alignment. Purchase Orders All purchase orders for Sourcewell equipment must be issued to The Charles Machine Works, not to the servicing dealer. This ensures that the PO matches the official factory quote and maintains contract pricing integrity. Invoicing and Payment Invoices are issued directly by The Charles Machine Works to the Sourcewell member. Payments are made to The Charles Machine Works, streamlining financial processing and ensuring centralized tracking. Sales Tracking and Reporting Each Sourcewell sale is tracked in our internal sales system by customer member number, allowing for precise recordkeeping. We generate quarterly reports from our sales accounting system to verify that: All Sourcewell transactions are priced correctly Each sale is properly reported to Sourcewell The administrative fee is calculated and remitted accurately This process ensures transparency, accountability, and full alignment with Sourcewell's cooperative purchasing requirements—while providing Sourcewell members with a seamless and compliant procurement experience.

68	If you are awarded an agreement, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the agreement.	Charles Machine Works maintains a rigorous internal reporting process to ensure transparency, compliance, and strategic alignment with the Sourcewell cooperative contract. We provide monthly sales reports detailing Sourcewell-related activity to our internal stakeholders and executive management. These reports include: Sourcewell member transactions by dealer. Equipment models and quantities purchased Pricing validation against contract terms Freight and administrative fee tracking Dealer delivery coordination and status updates This reporting structure enables us to monitor contract performance, identify trends, and ensure that all Sourcewell transactions are accurately documented and compliant. A sample report is attached for reference.	*
69	Provide a proposed Administration Fee payable to Sourcewell. The Fee is in consideration for the support and services provided by Sourcewell. The proposed Administrative Fee will be payable to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. The Administrative Fee will be calculated as a stated percentage, or flat fee as may be applicable, of all completed transactions utilizing this Master Agreement within the preceding Reporting Period defined in the agreement.	Charles Machine Works, Inc. proposes to pay Sourcewell an administrative fee of 2% on the contract sales price of each machine, excluding freight and setup charges. The 2% fee applies only to the equipment portion of the invoice. Freight and setup charges are excluded, as these are typically pass-through costs with no margin applied by Ditch Witch®. This fee structure ensures accurate reporting and fair compensation to Sourcewell while maintaining transparency in pricing. All qualifying sales under the Sourcewell contract are tracked internally by customer member number, and reported quarterly to Sourcewell to ensure proper fee calculation and remittance.	*

Table 6B: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments	
70	The pricing offered is as good as or better than pricing typically offered through existing cooperative contracts, state contracts, or agencies.	We are proud to offer exclusive upfront discounts from MSRP to Sourcewell members—pricing that is not typically available to any other customer segment. This preferential pricing reflects our recognition of Sourcewell's aggregated purchasing power and our commitment to supporting public-sector procurement with transparent, high-value solutions. It ensures that Sourcewell members receive best pricing without the need for negotiation or volume-based incentives, streamlining the procurement process and reinforcing contract integrity. Price file is attached. It is very large. Allow time for processor to open the file.	*

Table 7A: Depth and Breadth of Offered Solutions (200 Points, applies to Table 7A and 7B)

Line Item	Question	Response *	
-----------	----------	------------	--

71	Provide a detailed description of all the Solutions offered, including used solutions if applicable, offered in the proposal.	Under the Sourcewell cooperative contract, Charles Machine Works is proud to offer the complete line of equipment and technology solutions from our family of brands, including Ditch Witch®, Subsite®, HammerHead®, and American Augers®. These products are available through our extensive authorized dealer network, ensuring nationwide coverage and expert support. Available Product Categories Ditch Witch® Equipment Pedestrian and ride-on trenchers Vibratory plows Compact utility products Stand-on track loaders and attachments Directional drills Vacuum excavation systems Micro trenching solutions Subsite® Electronics Pipe and cable locators Electronic tracking and guidance systems HammerHead® Trenchless Solutions Pneumatic piercing tools Pipe bursting systems Point repair technologies American Augers® Equipment Large-scale drilling rigs and fluid management systems All equipment listed above is supported by our dealer network and eligible for Sourcewell contract pricing. For detailed pricing and model availability, please refer to the attached pricing sheets and current product lists included in this proposal.
72	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Ditch Witch® Utility Trailers Ditch Witch® Utility Trailers are purpose-built for the exclusive transportation of Ditch Witch walk-behind trenching models. These trailers are engineered to ensure safe, secure, and efficient transport of trenchers from jobsite to jobsite, supporting operational readiness and equipment longevity. Key features include: Custom-fit design for Ditch Witch pedestrian trenchers Durable construction to withstand rugged field conditions Optimized loading and tie-down systems for secure transport Compatibility with standard towing configurations These trailers are only available through our authorized dealer network and are included in the Sourcewell contract offering.

73	Describe in detail warranties offered and how they will be administered, including if they cover all products, parts, labor, technician travel, and geographic regions covered.	Warranty Coverage and Service Support Charles Machine Works provides a standard one-year factory warranty on all equipment offered under the Sourcewell cooperative contract. This warranty covers failures in material and workmanship, excluding normal wear items. All parts and labor associated with warrantable failures are included at no additional cost to the Sourcewell member. Maintenance Responsibility Sourcewell members are responsible for performing all routine maintenance and adjustments as outlined in the operator's manual for each model. Failure to perform required maintenance may result in denial of warranty coverage for components affected by neglect or improper care. Warranty Exclusions The following items and conditions are excluded from warranty coverage: Incidental or consequential damages Defects, damages, or injuries caused by misuse, abuse, improper installation, alteration, or neglect Issues resulting from improper training, operation, or servicing inconsistent with manufacturer recommendations Engines and engine accessories (covered under the original manufacturer's warranty) Tires, belts, and other components subject to third-party warranties (available to the purchaser as applicable) A copy of our limited warranty is included in the attached Owner's Manual, which accompanies each machine at the time of delivery. Nationwide Service Network Charles Machine Works supports Sourcewell members through a comprehensive dealer network that spans the United States and Canada. This includes: Over 600 factory-trained technicians Brick-and-mortar service locations Mobile service trucks for on-site repairs and diagnostics In the event that a service truck must be dispatched, we compensate our dealers for travel distances up to 400 miles, ensuring responsive support regardless of location. This warranty and service infrastructure reflects our commitment to product reliability, customer satisfaction, and long-term value for Sourcewell members. A copy of our standard warranty is attached for reference.
74	Describe any service contract options or extended warranties being offered with your proposal.	Extended Warranty and Service Contract Options In addition to our standard one-year factory warranty, Ditch Witch® offers extended warranty coverage for up to two additional years, providing Sourcewell members with enhanced protection and peace of mind. Factory Extended Warranty Available for purchase at the time of delivery Covers failures in material and workmanship beyond the standard warranty period No discounts are offered on extended warranty pricing Can be added to the official quote and invoice as a "sourced" item, similar to third-party accessories Dealer-Offered Service Contracts Authorized Ditch Witch dealers may also offer local service contracts to Sourcewell members. These agreements: Are offered at dealer discretion May include routine maintenance, inspections, or priority service Are quoted and invoiced as locally sourced items, separate from the factory warranty These options provide Sourcewell members with flexible coverage solutions tailored to their operational needs and regional support preferences.

Table 7B: Depth and Breadth of Offered Solutions

Indicate below if the listed types or classes of Solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
75	Aerial lifts, towers, buckets, and platforms of all types, such as telescopic, articulated, mast, boom, etc.	☐ Yes ☒ No	Charles Machine Works specializes in ground-engaging and underground construction equipment, offering a comprehensive lineup of solutions designed to support the full scope of underground utility installation. This specialization allows us to deliver purpose-built equipment that meets the demands of utility contractors, municipalities, and public-sector agencies—backed by our nationwide dealer network and industry-leading support.	*
76	Digger derricks	☐ Yes ☒ No	Charles Machine Works specializes in ground-engaging and underground construction equipment, offering a comprehensive lineup of solutions designed to support the full scope of underground utility installation. This specialization allows us to deliver purpose-built equipment that meets the demands of utility contractors, municipalities, and public-sector agencies—backed by our nationwide dealer network and industry-leading support.	*
77	Cable placing, pulling, and tensioning equipment	☒ Yes ☐ No	Ditch Witch® directional drills, vibratory plows, micro trenchers, and ride-on trenchers are all designed for cable placing and pulling. HammerHead® products also support underground cable pulling and tensioning, offering versatile solutions for utility installation.	*
78	Directional drills, trenchless excavation equipment, thrust and boring machines, soil piercing tools, trenchers, rock wheels, and pile drivers	☒ Yes ☐ No	Charles Machine Works offers all listed equipment categories under the Sourcewell contract except pile drivers. We are an industry leader in Directional drills, Trenchless excavation equipment, Thrust and boring machines, Soil piercing tools, Trenchers and Rock wheels. These products are engineered to support underground utility installation and infrastructure development, backed by our nationwide dealer network and expert service capabilities.	*
79	Accessories, supplies, replacement parts, and services; utility locating equipment; related to the offering of the solutions in subsections 75 - 78 above	☒ Yes ☐ No	Charles Machine Works offers a full range of accessories, supplies, and utility locating equipment, all manufactured in-house and available under the Sourcewell cooperative contract. While parts and service are not covered by the contract, they are readily available through our authorized dealer network at local prevailing rates. This ensures Sourcewell members have access to responsive support and genuine components throughout the life of their equipment.	*

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
 2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
 3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
 4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
- [Pricing](#) - Ditch Witch Pricing and Warranty Info.zip - Wednesday September 03, 2025 15:22:31
 - [Financial Strength and Stability](#) - The Toro Company Full-Year Fiscal 2024 Financial Results.pdf - Tuesday August 05, 2025 08:39:22
 - [Marketing Plan/Samples](#) - Marketing Documents - Samples.zip - Wednesday September 03, 2025 15:34:14
 - WMBE/MBE/SBE or Related Certificates (optional)
 - [Standard Transaction Document Samples](#) - Transaction Document Samples-Quote through Delivery.zip - Wednesday September 03, 2025 15:30:12
 - [Requested Exceptions](#) - RFP_091125_Public_Utility_Equipment_Master_Agreement MD red.docx - Tuesday August 05, 2025 08:34:50
 - [Upload Additional Document](#) - Dealer Lists&Maps - Training - COI - My Ditch Witch.zip - Wednesday September 03, 2025 15:57:16

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT OF COMPLIANCE

I certify that I am an authorized representative of Proposer and have authority to submit the foregoing Proposal:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for award.
3. The Proposer certifies that:
 - (1) The prices in this Proposal have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Proposer or competitor relating to-
 - (i) Those prices;
 - (ii) The intention to submit an offer; or
 - (iii) The methods or factors used to calculate the prices offered.
 - (2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before award unless otherwise required by law; and
 - (3) No attempt has been made or will be made by Proposer to induce any other concern to submit or not to submit a Proposal for the purpose of restricting competition.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's: a. creation of evaluation criteria during performance of a prior agreement which potentially influences future competitive opportunities to its favor; b. access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition; c. impaired objectivity in providing advice to Sourcewell.
5. Proposer will provide to Sourcewell Participating Entities Solutions in accordance with the terms, conditions, and scope of a resulting master agreement.
6. The Proposer possesses, or will possess all applicable licenses or certifications necessary to deliver Solutions under any resulting master agreement.
7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
8. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☒ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Mike Spillars, Global Accounts Sales Manager, The Charles Machine Works, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the obligations contemplated in the solicitation proposal.

☐ Yes ☒ No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_1_Public_Utility_Equipment_RFP_091125 Mon August 4 2025 05:46 PM	☒	1



The Charles Machine Works, Inc.
Ditch Witch Division
1959 West Fir Avenue
P.O.Box 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617
Email : global@ditchwitch.com

Sold-to Party Address

TOWN OF FOUNTAIN HILLS
NJPA MEMBER # 109844
16705 E AVENUE OF THE FOUNTAINS
FOUNTAIN HILLS AZ 85268-3815

Quotation

Information

Quotation No. 20237692
Document Date 05/11/2026
Customer No. 510392
Dealership DITCH WITCH WEST (PHOENIX)
PHOENIX
PO _____
Created by Jon McLarty

Global Account Price Quote

Quote Valid until :

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Page 1 of 3

Quotation Details

Qty	Material Description	Unit Price	Discount	Amount
1EA	SOURCEWELL CONTRACT 091125-CMW. ***** PER SOURCEWELL CONTRACT PLEASE ISSUE PURCHASE ORDER TO THE CHARLES MACHINE WORKS, INC ***** SOURCEWELL MEMBERSHIP REQUIRED PLEASE VISIT WWW.SOURCEWELL-MN.GOV FOR MEMBERSHIP ***** HX50A - HX50A With the following configuration: Debris Tank 800 Gallon Water Tank 400 Gallons Controls Right Hand Traffic Reverse Flow Yes Hose and Tooling 4 Inch Filter Cyclonic Separator HX Boom Powered 4in Hoses Water Heater No Options Prospector Digging Lance			110,426.34

Confidentiality Notice:

This quote may contain confidential information. The information is intended only for the individual or entity named. If you are not the intended recipient, please immediately notify us at 1-800-654-6481 to arrange for return of the document.



The Charles Machine Works, Inc.
Ditch Witch Division
1959 West Fir Avenue
P.O.Box 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617

Sold-to Party Address

TOWN OF FOUNTAIN HILLS
NJPA MEMBER # 109844
16705 E AVENUE OF THE FOUNTAINS
FOUNTAIN HILLS AZ 85268-3815

Quotation

Information

Quotation No. 20237692
Document Date 05/11/2026
Customer No. 510392
Dealership DITCH WITCH WEST (PHOENIX)
PHOENIX
PO _____
Created by Jon McLarty

Global Account Price Quote Quote Valid until : 06/15/2026

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Page 2 of 3

Quotation Details

Qty	Material Description	Unit Price	Discount	Amount
	Options Remote Docking Station			
	Options Traffic Cone Storage			
	Options Trailer Tongue Tool Box			
	Options Uptime Kit			
	Options Vac Suction Tool 4IN			
	Options Water Air Gap			
	Quiet Option Yes			
	Prospector Digging Lance Yes			
	Water Air Gap Yes			
	Traffic Cone Storage Yes			
	Trailer Tongue Tool Box Yes			
	Hydraulic Oil Standard			
	Color Standard			
	Trailer Jack Hydraulic			
1EA	190-2455 - HX50 UPTIME KIT			199.10
1EA	190-10320 - DOCKING STATION OPTION HX30/50/75			627.87
1EA	HX50A-PREP - HX50A Vacuum Excavator Prep Assembly			
1EA	025-1034 - VT24 800 GAL HEAVY TRAILER			21,751.70

Confidentiality Notice:

This quote may contain confidential information. The information is intended only for the individual or entity named. If you are not the intended recipient, please immediately notify us at 1-800-654-6481 to arrange for return of the document.



The Charles Machine Works, Inc.
Ditch Witch Division
1959 West Fir Avenue
P.O.Box 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617

Sold-to Party Address

TOWN OF FOUNTAIN HILLS
NJPA MEMBER # 109844
16705 E AVENUE OF THE FOUNTAINS
FOUNTAIN HILLS AZ 85268-3815

Quotation

Information

Quotation No. 20237692
Document Date 05/11/2026
Customer No. 510392
Dealership DITCH WITCH WEST (PHOENIX)
PHOENIX
PO _____
Created by Jon McLarty

Global Account Price Quote
Quote Valid until : 06/15/2026

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Quotation Details

Qty	Material Description	Unit Price	Discount	Amount
		Corporate Account Price		133,005.01
		Total Freight		2,300.00
		Total Tax		11,305.42
		Installation Charge		240.00
		Total Amount		\$ 146,850.43

Confidentiality Notice:

This quote may contain confidential information. The information is intended only for the individual or entity named. If you are not the intended recipient, please immediately notify us at 1-800-654-6481 to arrange for return of the document.



TOWN OF FOUNTAIN HILLS

STAFF REPORT

Meeting Date: 6/16/2026
Meeting Type: Town Council Regular Meeting
Submitting Department: Administration / Town Clerk
Prepared by:
Staff Contact Information: Phone:
Email:

Request to Town Council Regular Meeting (Agenda Language)

CONSIDERATION AND POSSIBLE ACTION: Related to any item included in the Arizona Cities and Town's Weekly Legislative Bulletin or relating to any action proposed or pending before the State Legislature.

Staff Summary (background)

Related Ordinance, Policy or Guiding Principle

Risk Analysis

Recommendation(s) by Board(s) or Commission(s)

Staff Recommendation(s)

Suggested Motion

FISCAL IMPACT

Fiscal Impact:

Budget Reference:

Funding Source:

ATTACHMENTS

None